

The NATIONAL UNDERWRITER



EVERYBODY knew the old country doctor. He treated all the colds, brought all the babies, sewed up the injured and even pulled a tooth now and then. He brought his own medicines with him and relatives or neighbors did the nursing.

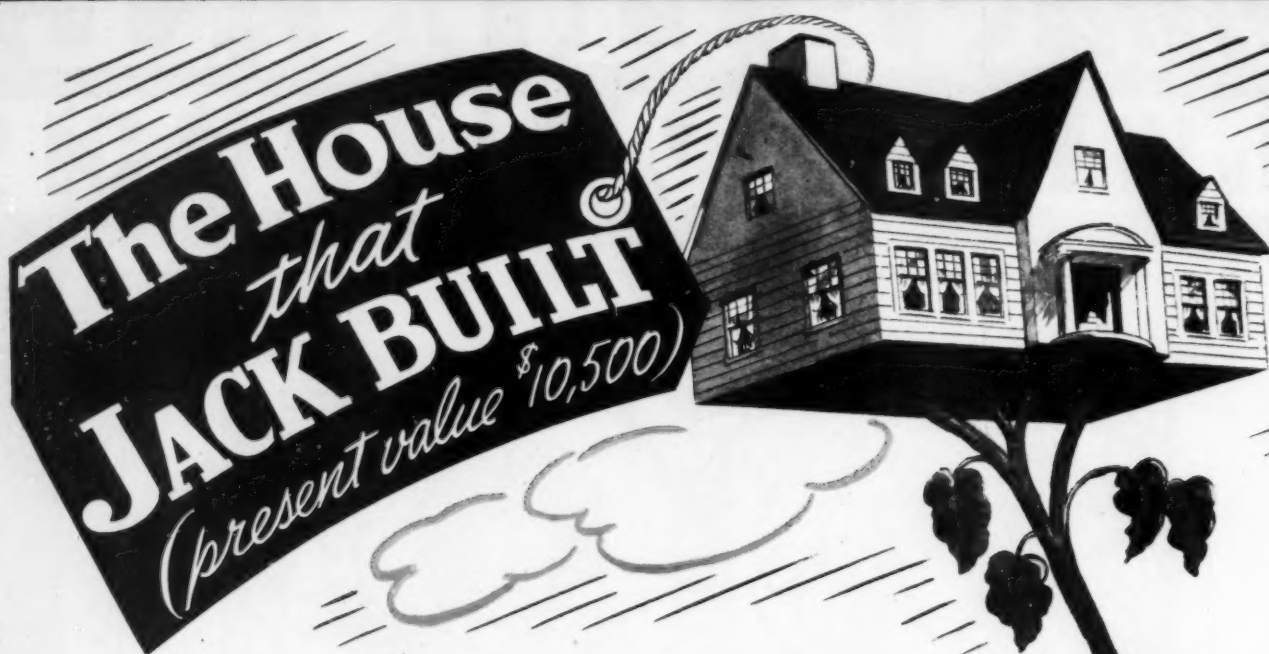
But conditions are different now. Today, an accident means an ambulance to the hospital, X-rays, surgeon's fees, nurses, private room and many other expenses.

It's wiser for your client to spend a small, definite sum for Accident insurance, than to risk the personal expenditure of hundreds of dollars in case of accident.

A Modern Accident Policy issued by The Travelers will take care of unusual expenses for all kinds of accidents.

THE TRAVELERS INSURANCE COMPANY
HARTFORD, CONNECTICUT

THURSDAY, MAY 2, 1946



With today's values sky-high, and rapidly growing out of sight, the house that Jack Homeowner built in 1939 for \$7,500 would now cost him, say, \$10,500.

There are thousands and thousands of other Jack Homeowners in this country today whose homes likewise have grown in value, yet whose insurance policies have not grown a dollar larger in amount. These are the owners who, according to company loss reports, are being caught with too little insurance and who have had to pay part of the loss out of their own pockets.

Most home-owners do not fully realize the seriousness and extent of their under-insurance. They need the advice and counsel of their Insurance Agent to show them what really adequate-insurance-to-value is.

That such "Service Beyond the Contract" is welcome has been the experience of many alert agents country-wide who have seen their duty and done it. These agents report a high average of sales of additional Fire Insurance, and that they also pick up on the side Fire Contents, Extended Coverage and other new business.

To pave the way for your personal solicitation and to assist in establishing in your office a routine renewal review plan, our Advertising Department offers sales ideas and literature which will make it easier to tackle this so necessary job, efficiently and with profit to all.

**NORTH BRITISH AND MERCANTILE INSURANCE COMPANY
LIMITED**

THE PENNSYLVANIA FIRE INSURANCE COMPANY

THE COMMONWEALTH INSURANCE COMPANY OF NEW YORK

THE MERCANTILE INSURANCE COMPANY OF AMERICA

THE HOMELAND INSURANCE COMPANY OF AMERICA

150 WILLIAM STREET, NEW YORK 8, N. Y.

New York : Philadelphia : Boston : Detroit : Chicago : San Francisco



General Agents Atlanta Parley Is Outstanding

Frown on Charging of
Expense Allowances as
Pure Commission

By ROBERT B. MITCHELL

ATLANTA—Holding its first full fledged convention since 1941, the American Association of Insurance General Agents ran off a meeting here that was outstanding in every way—attendance, which reached a new high of more than 150, business program, speakers, entertainment and hospitality. Even the weather cooperated to make the golf, the barbecue dinner, and the sightseeing in open air buses completely enjoyable.

F. J. Pelletier

In his presidential report, F. J. Pelletier of Hinchman-Rolph & Landis, San Francisco, said that during the war the supervising general agency system of operation continued to be an important factor in the business and records show an increasing number of appointments by companies of association members for the development and supervision of bus-



HERBERT COFF STEBBINS

ness in various territories. This is true despite some "minor readjustments" resulting from certain company consolidations, he said.

The supervising general agent has continued to gain favor because it is an economic and efficient method through which companies can satisfactorily develop business and adequately serve the public, said Mr. Pelletier, adding that the progress of the bona fide general agent can be attributed to a number of factors, stemming from adherence to the principle that the franchise held under contractual relationship with a company is a privilege carrying with it a high degree of responsibility.

Stressing the general agent's financial responsibility to enable proper conduct of his operations and the development

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Rhode Island Agents in Business Forum at Mid-Year Meet

By WILLIAM A. SCANLON

PROVIDENCE—The midyear meeting of the Rhode Island Insurance Agents Association was in the nature of a business building forum with three company executives handling the preliminary discussions, followed by question and answer periods.



C. I. Fisher

Each of the speakers held the attention of his audience and the questions from the floor developed some good points. Edward C. Stone, U. S. manager of Employers Liability, was the speaker. Carleton I. Fisher, Providence, president of the state association, presided at the business session and also at the banquet.

Stone on Public Law 15

Mr. Stone, who has appeared before many agents meetings throughout the country and has several more requests to speak at various state conventions, spoke on public law 15. As in his previous talks he made a strong plea for the passage of laws which simply call for adequate rates and spoke out strongly against both approval and disapproval ideas.

Comprehensive Liability Coverages

New comprehensive liability coverages were discussed by J. Earl Payne, Chicago, assistant secretary of Continental Casualty.

William J. Schiff, Philadelphia, assistant secretary of Indemnity of North America, led the discussions on "Comprehensive Dishonesty, Destruction and Disappearance."

Iago Talks on P.P.F.

"The Casualty Company Looks at the Personal Property Floater" was the title of the talk by John J. Iago, Baltimore, vice-president of Fidelity & Deposit.

President Fisher announced that the attendance at this year's meeting was larger than at any similar meeting for several years.

The governor of Rhode Island, John O. Pastore, spoke briefly at the banquet.

Among those at the speakers table were Commissioner J. Austin Carroll, and S. W. Carey, president of Providence Washington.

Many Notables at Banquet

In addition to Mr. Stone, who was the main speaker at the banquet, those at the speakers' table were William A. Lester, Providence, secretary; E. Harris Howard, Jr., Providence, treasurer; Lewis B. Plummer, Newport, vice-president; Timothy E. Hopkins, Providence, special agent for Equitable Fire & Marine; J. Earl Payne, Chicago, assistant secretary, Continental Casualty; William J. Schiff, Philadelphia, assistant secretary, Indemnity of North America; John J. Iago, Baltimore, vice president of Fidelity & Deposit; Edward Devien, Providence, manager, and William R. Conroy, Providence, assistant manager New England Fire Rating Association; Judge Wm. E. Powers, Cumberland; J. Austin Carroll, insurance commissioner; Stephen W. Carey, III, president of Providence Washington; Miss Katherine

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Ewing Lists Eight Public Relations Activities of Day

ATLANTA—Eight specific projects bracketed as public relations, either under way, or in process of being launched or expanded, were detailed by Esmond Ewing, vice-president of Travelers Fire, in addressing the meeting here of the American Association of Insurance General Agents.



Esmond Ewing

First the expansion and strengthening of the public relations staff of the National Board has been nearly completed. This staff will not only develop and execute National Board projects but will collaborate with companies and insurance associations in public relations matters.

Secondly a public relations advisory committee has been formed of company men in public relations, advertising and publicity departments.

Field Club Participation

Then there has been developed a plan of cooperation among the regional associations and the National Board and this will be extended to other insurance organizations. Field club participation is vital to the success of this work. A publication directed to the general public has been started and a free mailing list will be compiled. "Fire Insurance Facts and Trends," is the title of this publication.

Scientific surveys of the public's views and knowledge about fire insurance are to be undertaken with the idea that the results will be helpful in fashioning public relations activities. An expansion is being discussed of the advertising that tells of the accomplishments of fire insurance.

The National Board weekly radio program is nearly two years old and reaches an audience of about 2½ to 3 million persons every week. Interest in this program has increased substantially, according to audience measurements.

Fight on Underinsurance

Finally there is the campaign to remedy the general condition of underinsurance. It was recognized that a policyholder suffering a loss at his old insured values would become a source of ill will and hence the advertising and public relations efforts of the National Board were directed toward this problem.

More than 3,500 separate duplicates of the advertisements will be published by 750 agents at their own expense in their local newspapers. This extension of the advertising will amount to about 700 newspaper pages.

"If we discuss what we do constructively and modestly, year in and year out in the natural ways open to our use," Mr. Ewing declared, "and if we continue our honest, fair and open dealing with the public, and constantly subject our own practices and customs to rigid, realistic examination and improvement with the public interest always paramount in our minds, then we will have gone a long way toward making the public's new interest in us a friendly, cooperative and neighborly interest. And that is our purpose."

W. U. A. Overhauls Rules at Annual Meeting

Action Culminates Long
Deliberations to Square
Operations with New Era

By C. M. CARTWRIGHT

At the annual meeting of the Western Underwriters Association, held at the Drake hotel in Chicago this week, C. W. Ohlsen, western manager of Sun, was reelected president. He is one of the younger men in the organization who has made his influence felt. He is regarded as one of the most efficient and helpful men on committees and before his presidential term the organiza-



E. H. Forkel



C. W. Ohlsen

tion relied on him very heavily in this particular work. He exhibited rare judgment and good sense.

E. H. Forkel, National Fire, was reelected as a vice-president and F. W. Koeckert, Commercial Union, was elected as the other vice-president in place of R. D. Safford, Travelers Fire,



F. W. KOECKERT

who desired not to serve another term. C. F. Thomas was reelected as manager.

Mr. Ohlsen presented his address in a forceful way and his presiding ability reached a high mark.

The committee that has been working for many weeks on revision of the rules completed an arduous and highly important job. In the first place each

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Many Festivities for Achenbach Week at Chicago

In western department fire insurance circles this has been Achenbach week. It started off with a dinner at the Chicago Club last Friday evening with Aetna Fire and Fred J. Sauter, its Chicago manager, as host to express fraternal feelings for W. N. Achenbach on the eve of his retirement as western manager of Aetna Fire. Then on Tuesday was the banquet of the Western Underwriters Association at the Drake for Mr. Achenbach, who has the distinction of serving for a longer period as W.U.A. president than any man in its history or that of its predecessor, the Western Union.

On both occasions Clinton L. Allen, the new western manager, was given a cordial welcome and at the W.U.A. dinner he got an extra hand because there he appeared in the role of bridegroom, having been married at Wilmette, Ill., the previous Saturday afternoon.

Chicago Club Dinner

The Chicago Club dinner brought together a group of about 70 of Mr. Achenbach's most intimate insurance friends among western department executives, Aetna Fire group men and organization leaders.

These affairs were particularly marked by good cheer because there is little mournful element in the change. Mr. Achenbach, in physical trim at the age of 65, goes to his place at Petoskey, Mich., where he has a power boat, engages in cabinet making, drawing and has many happy associations, and he will continue to fraternize with his insurance friends.

Richard E. Vernor, head of the fire prevention department of Western Actuarial Bureau, touched off the evening in sparkling style. He and Mr. Achenbach are fast friends. They each have places at Petoskey and Mr. Vernor also has a boat there.

Mr. Achenbach is rather impassive in manner and betrays his emotions only in subtle, occasional ways. Many men who have known him, admired him and worked with him nevertheless have not known his full character, and Mr. Vernor gave a sketch of Mr. Achenbach's human qualities that had the effect of producing a new bond of affection for Mr. Achenbach on the part of the dinner guests.

For instance, Mr. Vernor said that there was a boy named Donald Wright who had become attached to Mr. Achenbach and his boat, and had helped in keeping the craft in order. The boy went into the maritime service during the war and Mr. Achenbach corresponded with him regularly. He was on a Liberty ship that was torpedoed and instead of saving himself he asked permission of the commanding officer to go to the aid of the gun crew which was in difficulty. Permission given, he went to their aid and a second torpedo struck and young Wright was killed.

Got Ship Named for Lad

Mr. Vernor said that Mr. Achenbach went to unusual lengths to get a Liberty ship named for Donald Wright and saw to it that the boy's mother was on hand to christen the ship. Mr. Vernor pointed out that very few persons knew what Mr. Achenbach had done.

Again, he recalled that last summer Mr. Achenbach, while on temporary coast guard reserve patrol duty off Petoskey, rescued two youths who were close to drowning. This one, however, became known because at the time Mr. Vernor told THE NATIONAL UNDERWRITER about it, much to the embarrassment of Mr. Achenbach.

Mr. Vernor stated that Mr. Achenbach has many hidden talents, among them being in the culinary department. He recalled that he accompanied Mr.

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New York Agents to Have Busy Program

With a busy four-day program scheduled, the annual meeting of the New York State Association of Local Agents will get under way at Hotel Syracuse in Syracuse Sunday, May 5.

Adopting the forum discussion plan at many of the sessions, the announced purpose of the program is to air insurance and agency problems, promote good public relations and to develop



London Assurance public relations trophy to be awarded to the local board or county association in New York which is judged to have done the best work in the field of public relations during the past year. It will be presented at the Syracuse convention.

educational and business building methods for improved insurance service.

The complete program follows:

Sunday May 5

Meeting of the board of directors, continuing throughout the afternoon and evening.

Monday Forenoon, May 6

10 a. m. Local board conference—Reports and discussions by officers and members of local boards and county associations. Earl W. Quick, president Westchester County Association of Local Agents, presiding.

Local associations at work: Stimulating attendance at meetings. Programs that have created interest. Educational courses sponsored. Membership development. Benefits of coextensive membership. Coordinating work with the state association:

For protection of agents' commissions. In matters of legislation. Other insurance agency problems. Entries for London Assurance public relations trophy.

Why Local Associations—Are they in the interest of the public, the agents, the companies?

Survey of inactive local boards. Field for the organization of new boards.

Monday Afternoon, May 6

2 p. m. First convention sessions. Greetings—E. Ralph Ellis, president Syracuse Underwriters Exchange.

Response—Normal A. Boyd, state association executive committee.

A. Busy Year—J. W. Rose, secretary-treasurer.

Insurance Education—Syracuse University Course and Veterans' On-the-Job Training. A. C. Delsserth, executive vice-president.

Bringing Us Up-to-Date—A forum discussion, Roy A. Duffus, presiding.

Dishonesty Insurance—Mercantile Fidelity Coverage, R. S. Holmes, U. S. F. & G.

Aviation Insurance—A New Course of Revenue, D. E. Champaign Associated Aviation Underwriters.

Casualty Insurance Up-to-Date—Mr. Duffus.

Discussion of other problems for consideration of resolutions committee.

Companies Spent \$352,325 for Daily Newspaper Ads

Fire and casualty companies of all types spent \$352,325 on advertising in daily newspapers, according to a recently published compilation by Media Records, Inc., for three newspaper and advertising trade journals. This total was small compared to \$1,738,382 spent by life insurance companies on similar advertising.

The report covered 333 daily and Sunday newspapers published in 107 cities, representing 73% of the total circulation in the U.S. A number of weekly and daily papers in smaller towns are not included.

There was no breakdown of figures for multiple line companies, which keeps the figures from being very useful for purposes of insurance company comparison.

Life Insurance Companies of America was the biggest advertiser spending \$715,126. Largest individual advertiser was New York Life which spent \$225,060. John Hancock Mutual Life was third with \$115,742.

Leaders among fire and casualty companies were North American Accident, \$97,802; Continental Casualty, \$27,986; Allstate, \$27,674; Home of N. Y., \$23,937; Lumbermen's Mutual Casualty, \$23,126; Northern Mutual Casualty, \$24,984; Michigan Mutual Liability, \$22,786; Atlantic Mutual, \$20,801.

Monday Evening, May 6

Meeting of nominating committee. Meeting of resolutions committee.

Tuesday Forenoon, May 7

It Has Happened Here—1,000 Fires and Auto Accidents in Kodachrome, presented by Roy A. Duffus.

Second Convention Session—A. C. Delsserth, executive vice-president, presiding.

Report of Nominating Committee. Election of Officers and Directors.

The Bank and Agent Auto Plan—Charles J. Schoen, member executive committee.

Administration Report—John C. Stott, president.

A Message on Organization—Guy T. Warfield, Jr., vice-president National Association of Insurance Agents.

Insurance Research—Clarence H. Twichell.

Tuesday Afternoon, May 7

Platform and Principles—The resolutions committee.

Public Relations and the National Meetings—Augustus C. Wallace, national director.

Address—Robert E. Dineen, superintendent New York Insurance Department.

Standing in the Other Fellow's Shoes: "If I Were a Local Agent"—Fred'k W. Doremus, vice-president American Insurance Company.

"If I Were a Company Executive"—R. M. L. Carson, member executive committee, New York state association.

Subjects for discussion at convenient times:

Under Insurance.

Installment Premium Endorsement.

Single Location Reporting Form.

Clearing Auto Accident Reports.

Assigned Risk Plan.

Proposed New Farm Form.

State Housing Projects.

Any other subject not listed.

Tuesday Evening, May 7

Annual Banquet—John C. Stott, retiring president, presiding.

Greetings—Frank J. Costello, mayor of Syracuse.

The Economics and Humanity of Insurance—Dr. Allen A. Stockdale, National Association of Manufacturers.

Wednesday, May 8

Annual Meeting of Stockholders, State Association Service.

Meeting of New Board of Directors, State Association Service, and New York State Association of Local Agents.

Office within a few days.

Luncheon—To New and Retiring Officers and Directors.

Salvage Company's Contribution to War Is Told

ATLANTA—Some of the big salvaging operations that the Underwriters Salvage Co. of New York performed during the war years and that had a beneficial effect on the war economy were revealed at the meeting of the American Association of Insurance General Agents here by John G. McClure, Jr., vice-president and general manager.

The salvage company came to the front in the early days of the war when it was called upon by government agencies to salvage damaged cargoes of our ships that had been torpedoed but were able to limp back to port. The government had no facilities to do this work and the salvage company was called upon by the Department of Agriculture, lend lease division.

Huge quantities of damaged canned goods were sent to the nearest warehouse or reconditioning plant of the salvage company from which they were returned to the government in sound condition. Thousands of shoes, clothing, goods in process and other materials were reclaimed and reconditioned for the government. When a million pairs of shoes that were being packed for overseas shipment by the Treasury Department were seriously damaged in a fire in a government warehouse at Dover, N. J., the salvage company was engaged to perform the recovery and reconditioning operations. Some 900,000 pairs of shoes were recovered and put into sound condition.

The salvage company leased a building near the scene of the loss and as the shoes were moved into it they were hung on racks built for the purpose and allowed to dry thoroughly. Then the leather was treated with a softener and finally the shoes were sorted, packed in boxes for overseas shipment and returned to the government.

He recalled the great contribution of the salvage company following fire at Fall River, Mass., in 1941 that destroyed 30 buildings, containing 18,000 tons of crude rubber. The salvage operation consisted of mining melted rubber. The walls of the buildings and layers of fire blackened wreckage had to be removed. There were 500 truckloads of debris. A strip mining process was used employing seven huge mechanical shovels, crane and a dozen large trucks. It was necessary to extract chunks of debris from the rubber and to do this each piece of rubber was cleaned with live steam at 200 pounds pressure. The pieces of rubber were covered with soap stone to prevent sticking together, loaded on freight cars for shipment to three rubber goods manufacturers for processing and for conversion into rubber articles.

Ten thousand tons of rubber were recovered having a sales value of more than \$4 million. Mr. McClure pointed out that the salvage company there demonstrated how it could deal with an emergency.

Mr. McClure described the service that the company renders to the cotton underwriters in the south. Posted on every cotton warehouse and compress is a placard stating that in the event of an emergency the nearest representative of the salvage company should be called immediately and his telephone number is listed. When called, the representative goes to the scene and arranges to dispatch especially designed cotton fire fighting equipment. This service has proved of tremendous value in reducing losses, he said.

The salvage sales of damaged merchandise for insurance companies amount to more than \$10 million a year, Mr. McClure stated. This does not include the sale of salvage stocks retained by assured.

Collens, Bingham Head Louisiana Association

Resolutions Ask Tax Equality; Revision of Bureau Practices

Lancaster W. Collens, Baton Rouge, was elected president of the Louisiana Association of Insurance Agents at the annual meeting at Monroe. Mr. Collens, who was formerly vice-president, succeeded Edward J. Seymour, Monroe.

W. Eugene Bingham, also of Baton Rouge, was chosen vice-president, a position he held prior to entering the army. A. Heath Petrie, Alexandria, was re-elected treasurer. W. Loring Ferguson, New Orleans, a member of the N.A.I.A. executive committee, was reelected state national director.

New Committeemen

New members named to the state executive committee were Harold Boling, Lake Charles; Gary Gillis, Jr., New Orleans; W. M. Daniel, Jr., Shreveport, and Emmett A. Herring, Hammond. Re-elected to the executive committee were A. E. Montgomery, Monroe; Cecil Middleton, DeRidder, and Samuel Klotz, Napoleonville. Mr. Seymour, who becomes executive committeeman, and Mr. Ferguson will also serve on the committee.

New officers and members of the executive committee were introduced at the annual convention dinner on Thursday evening, at which Governor Davis of Louisiana was principal speaker. They were formally installed by Past President Leonard M. Wise, New Orleans, and were given the oath by Commissioner Martin.

Mr. Middleton was toastmaster at the banquet at which Governor Davis was accompanied by his cowboy band.

Blast Tax Inequality

Among the resolutions adopted was one deploring the inequality of federal tax laws and urging passage of remedial legislation which would subject cooperatives, mutuals, and government business operations to the same tax rates which govern private enterprises.

The association also adopted a resolution recommending that the Louisiana Rating & Fire Prevention Bureau initiate immediately the inspection of dwellings and reinstate the publishing of dwelling rates. It was stated that this resolution was prompted by the misunderstandings and abuses which had arisen from the withdrawal from publication of these rates.

By a close vote the motion to submit the resolution recently adopted by the Baton Rouge Insurance Exchange, following the reduction of rates on dwellings, which proposed an increase in commissions on this class was tabled.

The association also adopted a resolution urging the Louisiana bureau to classify types of risks in accordance with the National Board code whereby a code number will be assigned to each class and that a supplement be issued embodying this information and showing the percentage reduction, if any, applicable to each class. It was also urged that all future rate publications carry the proper code number opposite each building and occupancy rate.

The association also stated that the control of automobile insurance by two bureaus in the state had resulted in an unsatisfactory situation and recommended that the legislative committee seek amendments which will bring the

Blanks Committee Decides Upon Important Changes

NEW YORK—The blanks committee of the National Association of Insurance Commissioners meeting here this week approved a proposal by the New York department to get up a new schedule, schedule M, designed to prevent such abuses as were revealed in the Missouri rate case.

The schedule will be attached to reports of fire, marine, miscellaneous, reciprocal, and title and mortgage blanks. It requires the reporting of unusual payments to officers, directors, employees, or others. The report will be submitted to the N.A.I.C. at Portland.

Appearing before the blanks committee, Superintendent Dineen expressed his appreciation for the committee action. He pointed out that in the Missouri rate case money was collected from the companies to bribe public officials to effect a settlement. These abuses have come to the attention of Congress and are a part of the record in connection with public law 15. President Roosevelt in signing that law said that this provides the opportunity for an orderly correction of such abuses.

Schedule M is based in part on schedules J and K which have been in the life blanks for years.

It is in four parts. Part one requires a showing of all direct or indirect payments of more than \$100 (except expenses paid in settlement of losses, claims and salvage under policy contracts) in connection with any matter, measure or proceeding before legislative bodies, officers or departments of government during the year, excluding the company's share of such expenditures made by organizations listed in part four.

Part two requires a showing of all payments other than salary, compensation, emoluments and dividends to any officer, director or employee which exceeded \$250 or aggregated more than \$5,000 during the year, excluding reimbursement of expenditures for transportation, board and lodging of company auditors, inspectors, claim investigators, adjusters, special agents, and payments under part one.

Part three requires the showing of all payments for legal expenses exceeding \$100 or aggregating more than \$5,000 in the year, except those in connection with losses, claims and salvage and payments in part one.

The part four requirement is a showing of all payments exceeding \$500 to trade association, service organization, statistical, actuarial or rating bureau during the year. A service organization is defined as every person, partnership, association or corporation that formulates rules, establishes standards or assists in the making of rates, rules, or standards for the information or benefit of insurers or rating organizations.

There was considerable discussion at the committee session as to whether wartime economies in annual reports should be continued. These economies were set up for the duration of the war, which is not yet officially terminated. It has been suggested that some of the economies might be made permanent, but others pointed out that some of them are in conflict with state law. The matter was referred to the executive committee of the N.A.I.C.

On page 2 of the blank the committee adopted a four-column block of premiums. These are direct, reinsurance assumed, reinsurance ceded, and net premiums. They did the same thing on the loss block, on page 3. The premium showing will not include return premiums and the losses will not include salvage. The present blank combines direct business and reinsurance assumed.

In the fire and casualty blanks the committee adopted a section on the state page calling for the reporting of rates of dividends on participating policies which will require the showing of each class separately.

Fears Regimentation of Free Enterprise

ST. LOUIS—American free enterprise, made possible by the protection of sound insurance, won the second world war John J. O'Toole, St. Louis, national director of the Missouri Association of Insurance Agents and a former president of the Insurance Board of St. Louis, told the St. Louis Insured Members Conference of the Associated Industries of Missouri in "A Review of Property Insurance Including Fire and Allied Lines."

Mr. O'Toole said insurance had made it possible for American industry to grow and prosper and to be in the position when war came to astonish the world with our production, adding: "Due to the fact that up to the time we entered the war the old American system, since abolished, of free enterprise and initiative and ambition was not regimented as it is today."

"Insurance is one of the largest industries in the world, and it has performed its duties faithfully, all under state supervision. Everything else that you buy today has increased from 50% to 200%, but insurance has been reduced in fire and allied lines. The most recent reduction took place in 1942 and the forms have been broadened to give you better protection without any increase in the rates. Some of our communistic leaders in Washington want to control this business, to take away and destroy states' rights, and if we allow it, through the assets of these companies, their stock and bonds, they will control all business in this country, a wonderful opportunity to defeat and destroy the old profit and free enterprise system that has made American powerful."

He said many industrial and commercial concerns use the book value of their machinery and equipment in determining the amount of insurance protection to carry, but, he emphasized, this book value is much lower than the real value. In some instances machinery that couldn't be replaced today without a delay of many months has been depreciated to such an extent in connection with the owner's bookkeeping methods it has actually been charged off the books, and its value is not considered in the application of the co-insurance clause. But in the event of a fire loss the situation would be entirely different. The assured might find that he was not fully complying with the co-insurance provisions and his insurance recovery greatly reduced in the loss adjustment.

Asks Limitation of Rate Jurisdiction

The West Virginia department has asked the National Association of Insurance Commissioners, through the committee on rates and rating organizations, to consider a rating plan to limit state jurisdiction to the loss portion of the premium dollar.

In a letter from Deputy Harlan Justice to the committee it is requested that in all hearings the following question be posed:

"Should any proposed rating bill, which has the approval of the NAIC, include the power of the state to regulate and supervise the expense portion of the rate dollar?"

Mr. Justice pointed out that West Virginia for 30 years has regulated fire insurance rates on the theory that the commissioner should not have jurisdiction over any portion of the rate dollar other than the loss portion. He stated that the West Virginia department did not have sufficient personnel and appropriations to change their system to one where 100% of the premium would be regulated.

He also asked consideration of the question of whether an independent company maintaining its own rating department should be required to join a state bureau.

Successful Field Club Program

N. J. Group's Q. & A. Sessions for Service Clubs Get Warm Reception

The public relations program inaugurated the first of the year by the New Jersey Field Club already has proved its merit, and there is considerable interest on the part of other field groups since many of them are undertaking similar activities on a stepped up scale.

At the beginning of the year President Harry W. Kohler of America Fore appointed a special activities committee consisting of Clement Fortman of Fireman's Fund, chairman, and Edward L. Lens, National Liberty; Robert J. Later, American Eagle, and Albert Knox of Connecticut Fire as members. The plan as set up by the committee is to provide service clubs—Kiwanis, Rotary, chamber of commerce, and so on—with an "Information Please" type of program on insurance matters.

A member of the committee agrees to handle a certain meeting and act as moderator. He selects three or four other members of the field organization to assist him, an inland marine man, two fire men, and one expert in automobile. The moderator in each case selects his own team. Members of the committee have more work now than they can do, and the chairman of the committee has been calling on other members of the field club to act as moderators and thus help out the program.

The moderator goes to the meeting with a certain number of questions typed up on slips which are passed out in the audience. Each of the questions deals with a certain line. When that question is asked, other questions on the same subject spontaneously arise during the program.

The programs have been unusually successful. Invariably the moderators and their associates have been kept overtime for additional questions by the club before which they appeared.

In one New Jersey city the question was asked, "How can I determine the value at which I should insure my household furniture?" The answer from the field man was, "Consult with your local agent and get from him a household furniture inventory." The service club generally has an agent or two as members, and one of the agents attending this meeting was kept for half an hour after the meeting was over taking the names of those in the audience who wanted a household inventory. At the same meeting a college professor said that he collected oriental rugs and should he insure them for what he paid or for their replacement value at present. He was told to insure them at their present replacement cost less depreciation and that he should have an all-risk policy.

The agent afterwards commented, "What a business-getter! I hope there is one of these at least once a year." At another point one of the agents thought the field men were on a country-wide tour and heartily approved of the idea.

The New Jersey Field Club is collecting a cross-section of the questions asked by the various audiences in New Jersey. At present audiences are most interested in insurable value questions. The field club when it completes its selection of about 1,000 questions will have an excellent cross-section of the insurance problems of New Jersey citizens. The questions will be passed on to the National Board.

Heretofore one of the difficulties the field club faced in providing a program for service clubs was the lack of men willing to make talks. There is, however, little or no reluctance on the part of the members appearing on the speaker's platform for the purpose of answering questions. Consequently, a great many more field men are participating in this program.

Enthusiasm Shouldn't Stultify Underwriting

ATLANTA—The importance of bringing insurance coverage up to the level of present day cost was emphasized by E. J. Dickey, vice-chairman of Agricultural, in his address at the meeting of the American Association of Insurance General Agents here, but he coupled with this appeal an admonition to keep a weather eye out for a reversal of trend that will require vigilance to guard against overinsurance.

It is necessary, he pointed out, to be alert to change, ready to adapt one's self to new conditions which the new era is fast bringing, to resist any ill-considered and unsound principles advanced by those who place selfish expediency above the general welfare.

Present Construction Costs

Mr. Dickey said company management and general agents must constantly attempt through local agents to induce policyholders to insure on the basis of present construction costs. He urged the general agents to cooperate to the utmost in the advertising campaigns directed to this end. The policyholder needs the higher protection and the agent and general agent need his good will when he has an honest claim. There is every indication that during the next few years there will be a tremendous increase in all business and the opportunities for growth are very favorable.

However, in seeking to make the most of the opportunities, enthusiasm should not stultify underwriting judgment. Careful and sound underwriting was never more necessary than it is today and will be during the next few years. There is nothing presently on the horizon to give any concern for the future to the able, intelligent general agent who operates efficiently, but the time likely will come when the price index will go the other way and it will be important to combat overinsurance.

He urged the general agents to be selective in their agency appointments. Although today balances are no problem, yet when and if money becomes less plentiful, the balance problem will again arise, hence it is important to name as agents men of responsibility, good character and knowledge of the business.

Evidence of Confidence

Mr. Dickey said that public confidence in fire insurance is high and the fact that assured have faith in the business is indicated by the fact that so few of them know or ask their agents the name of companies insuring them.

There is very little complaint about the rates that are charged. This he attributed to the fact that assured are aware of periodic rate reductions and realize they are getting cheaper and broader cover than ever before.

He said he recalled that the first fire insurance organization in this country was called the Friendly Society and insurance has continued to be a friendly business, and honest losses are honestly adjusted and paid on a friendly basis.

Mr. Dickey recalled that Atlanta is his home town. He has been away from there nearly 20 years.

Lumber Mutual Election

J. E. Cussen, Jr., and J. F. Cussen have been elected assistant secretaries of Lumber Mutual Fire. William K. Jackson of Boston was elected a director to succeed Edwin S. Nail, Mansfield, O.

Home Sets Up New Los Angeles Office

LOS ANGELES—In establishing a separate department for Los Angeles, President H. V. Smith of the Home group has announced several important changes in the field office and the southern California territory. It was stated that the changes contemplated a new unit rather than under general Pacific Coast supervision.

Sim E. Wherry, formerly manager of the Los Angeles office, has been appointed resident secretary and will be succeeded as manager by Robert P. McGuire, formerly assistant manager.

J. Raymond Callahan, staff adjuster, has been made manager of the loss department of the Los Angeles office. Walter J. Scott, Jr., has been transferred from Kansas City, Mo., and made manager of the service department, and Robert H. Hedin has been transferred from Chicago as engineer and special agent.

Wherry, McGuire from Mid-West

Mr. Wherry, a native of Iowa, was graduated at the University of Iowa and served as an army lieutenant in the first world war. After doing field work for the Iowa Inspection Bureau, he became a special agent and later state agent in Iowa and Nebraska. He joined the Home group in 1930 and in 1931 was assigned as special agent in Minneapolis. In 1933 he was transferred to Philadelphia as associate manager and in 1936 was made assistant manager of the service department in Chicago. He became manager of the Los Angeles office in 1940.

Mr. McGuire is a native of Chicago and left an engineering course at Lewis Institute to serve with the army in the first world war. He joined Home in 1924 as special agent in the service department in Chicago, and later served in that capacity in the Portland and Los Angeles offices prior to becoming assistant manager in Los Angeles in 1936.

Mr. Callahan joined National Liberty in 1929 and later served in the loss department of Home. He was born on Staten Island and after finishing high school, conducted an automobile sales and service agency for four years. He completed a course in adjustment of fire losses at Columbia University and the fire insurance course conducted by the Insurance Institute of America. He was transferred to Los Angeles as staff adjuster in 1935, which position he has held since that time.

Mr. Scott is a graduate of Armour Institute in the fire protection engineering course. For four years he was employed by the Missouri Inspection Bureau. In 1936 he was employed as special agent and engineer in the service department of the Home, with headquarters in Chicago. He was later transferred to Kansas City in the same type of work.

The Los Angeles offices have been separated from jurisdiction of the San Francisco office and will report direct to the home office with the exception of the marine department which will continue to report to San Francisco.

Because of the increased volume of business and the additions to the staff, it has been necessary to secure additional office space and new offices will be on the twelfth floor at 639 South Spring street.

President and Mrs. Smith are visiting southern California and the changes were announced at a luncheon for President Smith.



Sim E. Wherry

Rating Bureau for Mutuals Suggested at Engineering Meet

A proposal for combining schedule and experience rating methods on a nationwide basis for use by mutual companies was outlined by Robert L. Hurley, actuary for United Mutual Fire, in an address before the Mutual Fire Insurance Engineers in Chicago last week. More than 100 members attended.

The meeting, providing prominent speakers and described as the most successful yet held, attracted standing room only audiences and considerable interest was shown in off the record discussions. President W. Charles Ross, Philadelphia Contributionship, and Don D. John, Louisville agent, presided during the 10 addresses at the three-day sessions.

Mr. Hurley suggested that it was necessary to find some middle ground between schedules unsupported by loss experience and simple class rating which could well require as many as 20,000 separate classifications in the fire field.

Mr. Hurley's suggestions for possible rate making provided for four major occupancy groups, manufacturing, mercantile, dwelling and other non-manufacturing units. These would be further divided into sub-classifications, depending upon fire hazards involved, with the anticipated number of such classifications as follows: manufacturing, 15 to 20; mercantile, 10; non-manufacturing, 10, and dwellings to be treated separately. These classifications would be set up as to buildings and contents.

The proposed rating system would not pursue minor variations too minutely, although major factors contributing to fire losses would be considered in the schedule. Dwellings with less than five families would be classed independent of the schedule approach.

This method would result in 104 separate classifications under which experience would be collected on a policy-year basis. A five-year loss cost would be determined to set manual rates for each of these classifications.

An arbitrary method of prorating large losses between classifications and occupancy groups was explained by Mr. Hurley. Any fire loss of \$50,000 or less would be charged against the particular classification involved for the full amount of the loss. Losses in excess of \$50,000 would be divided between the particular classification involved and the occupancy group of which this classification was a sub-division. As losses go over \$400,000, an increasing percentage of the loss would be treated as a catastrophe and not directly charged into the rating method.

The state loss cost for each classification would be weighed against the natural experience on the same class. An adjustment would be made to bring all classification experience up to the latest rate level.

Mr. Hurley said that it is to the interest of the companies, the state departments, and important to the policyholder to have the fire rate reflect actual losses incurred as well as the relativity in hazard of the various classifications.

Possible excessive costs in developing a new schedule of rates was discussed and it was indicated by some of the members that some action might be required to comply with Public Law 15. Some objections were stated to pro-rating larger losses and thereby giving false loss ratios to particular classes. Most members indicated a preference for existing methods.

James K. McElroy, engineer for the National Fire Protection Association, and Major Forest Sanborn, formerly with Improved Risk Mutuals, described fire protection in reverse. Both Mr. McElroy and Major Sanborn were drafted by the government to assist in burning down German and Japanese towns.

After surveying bombing damage in Germany from the air and studying reconnaissance photographs Mr. McEl-

forces as to the areas to be bombed and the types of bombs to be used. Mr. McElroy said that he did not enjoy planning destructive bombing and believed it better not to spend money on decentralization of cities and industry but rather to spend the same amount on keeping the peace. We cannot afford another war, he said.

Policies written by English insurance companies on German buildings were studied and estimates made in advance as to the spread of fires which were caused by particular types of bombs. Mr. McElroy said that his experiences and study indicated to him that there was no excuse for using wood roofing on industrial buildings in the future.

Major Sanborn described the effects of the atom bomb on Hiroshima and Nagasaki and said that neither the heat nor the destruction was as extensive as had been publicized.

In a timely discussion of "What the Underwriter Wants to Know About Airports" William H. Rodda, American Mutual Alliance, described a memorandum which his organization has prepared for the use of mutual companies writing aviation insurance. He said that the Mutual Aircraft Conference is the mutual aircraft rating bureau used in a number of states and outlined the following items which underwriters will require:

Name and location of airport, including number of highway miles from a given town, the side of the road, etc.

Name and location of each hangar. Hazard of windstorms to airplanes on the ground. He said that planes should be tied at three points, at each wing and at the tail. Wheels should be placed in small trenches to prevent the lift of the wing and 2 x 4's may be laid along the top edge of the wing to reduce the wing lift.

The hangar roof should be well anchored to the side walls.

Wing finishing by "dope" represents a fire hazard which should be done outside of hangars. Protection should be made for hazardous welding.

Is the general public permitted in the hangars?

Exposures and fire protection. Will the nearest fire department respond?

(CONTINUED ON PAGE 39)

Murphy General Manager of Universal Companies in Western Department

James P. Murphy this week was installed as general manager of the western department of Universal and Universal Indemnity by John T. Byrne, president, and S. Curtis Bird, vice-president, in a move to expand the territory covered and the volume of writings. The two home office officials took part in a conference in which plans were outlined, which at present relate primarily to Universal and Universal Indemnity, but ultimately it is the intention to extend these expansion plans to the other companies of the Talbot Bird & Co. group, including Eagle Star, Globe & Rutgers and General of America, which Talbot Bird represents as marine manager.

Mr. Murphy was an attorney in the head office of the Talbot Bird group for about 10 years. He recently was discharged from the army as a captain after four years' service, 27 months being in combat duty in the southwest Pacific from Australia to Korea. He returned to Talbot Bird & Co. in January.

E. H. Hoppe, who is well known to Chicago insurance men, continues with Universal and Universal Indemnity as automobile manager.

The companies are developing a staff claims service under direction of Marie A. O'Grady, claims manager.

Plans call for expanding premium writings in Chicago suburban areas as well as in Cook county.

Howard P. Walpert has returned and taken over the Walpert agency at Salem, O. It has been operated by his wife during his absence.

**We tell the shoemaker
to stick to his last and let you,
the insurance expert, handle
insurance problems.**



Are You a "Handy-Andy"?

SOME FOLKS are regular "Handy-Andys". They fix plumbing and wiring. They diagnose and treat their own ills, and even write their own wills. Some of them get away with it too—but in the vast majority they are just a pain to the ambulance surgeon and to the emergency squads of the gas and electric companies.

Experience has proven time and again that it is cheaper and better in the end to have experts tackle the job at hand.

That holds true of insurance too—the services of an expert in analyzing your insurance needs may save you thousands of dollars—might even

save you from a financial loss which you or your business could not otherwise survive.

Agents representing companies of the America Fore Group are experts on insurance. It is their business to know the right answers to insurance questions which can affect your financial well-being.

Consult them freely—and we mean freely—for they will gladly review your insurance protection and make recommendations—at no cost to you.

If you do not know the name of your nearest America Fore Agent, we'll tell you—simply write us at 80 Maiden Lane, New York 8, N. Y.



America Fore advertisements appearing in May issues of the Saturday Evening Post, Newsweek, and Time endeavor to impress on the public that the safe thing to do is to have their insurance handled by expert insurance agents and brokers for their own protection.

Fairfield & Ellis Open N. Y. Office for Reinsurance

NEW YORK—Fairfield & Ellis, general agents in Boston, will on May 6 open a New York reinsurance and service office at 79 John Street. William F. Delaney, Jr., has been appointed New York reinsurance manager and Joseph F. Lennon will manage the servicing of business. A special Latin-American and foreign reinsurance department will be established to meet the increasing demand of the Latin-American market for reinsurance.

Mr. Delaney resigned as secretary and counsel of American International Underwriters to take his new position. He has been in the reinsurance field for the past few years. He taught the reinsurance course for the Insurance Society of New York and is the author of the book "Reinsurance Laws of South America and Mexico" and of many articles on the different phases of Latin-American reinsurance. A member of the Insurance Accountants Association, he delivered a talk at the meeting last October on "Latin American Insurance Require-

ments." He is a member of the International Association of Insurance Counsel and secretary of the American Foreign Law Association. He was in the banking business in New York City before joining American International.

Mr. Delaney received his LL.B. degree from Harvard University in 1936



J. F. Lennon



W. F. Delaney, Jr.

and graduated from Princeton University in 1933. While at Douai school in England he obtained his Oxford and Cambridge school certificate.

Mr. Lennon has spent his entire business career of 20 years in insurance. In 1928 he joined Marsh & McLennan in New York City and specialized in the

handling and servicing of large industrial accounts for fire and allied lines of coverage. Since last January he was in charge of the commercial fire department of Marsh & McLennan's New England office in Boston, from which position he resigned to open the New York office for Fairfield & Ellis.

During the recent war he served in the army for 26 months, being assigned to West Point, where he formulated and supervised the War department's food conservation and general rationing programs for that military post. He was discharged in November, 1945.

Farm Insurers Eschew the "Buy More" Campaign

Unlike their city brethren, the farm insurance underwriters are not only not engaging in a campaign to get increased insurance to value but they are calling a halt to the activities of those agents who become aggressive in this direction.

The farm insurance executives recall with anguish the ten or a dozen years they put in following the collapse of 1920 in reducing the amount of insurance that was so blithely written in the expansive farm days of the first war and in the two years immediately thereafter. Especially, since most farm insurance is written for a five year span do the underwriters hesitate to get on the bandwagon these days and notch up the amount of insurance that the farmers are carrying. They feel that there is too much risk of a reversal of trend in the farm economy in the next five years to justify staging a "buy more" insurance campaign at this time.

Moreover, farm insurance is written against the probability of a total loss and hence, additional liability assumed means much more to them than merely a means of developing new premium income.

Apparently the farm insurers do not feel to the same extent as their recording colleagues the necessity of producing additional premiums on account of the loss ratio pressure. The frequency of farm fires has not increased. The farmer is very conscious of the fact that machinery these days simply can't be replaced and every item of property around the farm is highly prized by its owner. He is taking no chances.

Farm Windstorm Losses Up

The farm windstorm losses are up sharply so far this year as compared with the same period in 1945 due largely to storms in Alabama, Mississippi, Kentucky and Tennessee and to freak late winter storms throughout Indiana and Ohio. There have also been a scattering of losses in Missouri, Illinois and Oklahoma.

However, these losses are not of alarming proportions and are entirely supportable.

Although there has been, over the past few years, almost a continuous broadening and liberalization of cover in the farm field, the farm underwriters have not been subjected to the whittling down of rates that the recording departments have had to endure.

Meeting at Dodge City, Kans.

The Dodge City (Kan.) Insurance Board was host to a zone educational meeting of the Kansas association with Seymour Drehmer local chairman and the program in charge of H. R. Joyce, National Union state agent, Wichita. The latter conducted a panel on the new 1943 policy and revised rules and forms. Assisting were State Agent H. J. Schoeppe, Commercial Union, and Manager M. W. Whitelaw and W. W. Rowse, Western Adjustment, all of Wichita. There was a good representation of agents from the larger towns of southwest Kansas and several field men. Another meeting is planned for the near future.

"Duke" Potter Dies After Kansas City Sales Meet Speech

KANSAS CITY—Wellington (Duke) Potter, prominent Rochester (N.Y.) agent, died in Menorah Hospital here Tuesday afternoon as a result of a heart attack suffered at the end of his talk at the Kansas City Casualty & Surety Sales Congress Monday. The final speaker on the program, Mr. Potter had just finished his talk entitled "Mental Morphine" when he was stricken. He was taken to his hotel, but had a second attack Tuesday and was brought to the hospital. He was 61 years old.

Noted nationally as a dynamic speaker



WELLINGTON POTTER

on salesmanship, Mr. Potter broke into the insurance business in 1913 as a special agent with Travelers and was always closely identified with that company. After training at the company's home office school, he was assigned to the Hartford branch office. In 1915 he became assistant in the home office training school, of which L. N. Dennison was then in charge. This was followed by agency supervisory work at the home office, during which he held the titles of home office special agent, field assistant, agency assistant and, in 1918, assistant superintendent of agencies. He traveled throughout the country and was well known as an agency executive when he resigned to go into the local agency business in Rochester about 25 years ago. He formed the agency of Frost & Potter and later operated under his name only. The agency represented the Travelers companies continuously.

For many years Mr. Potter campaigned vigorously against mutuals and gained a reputation with his speeches on meeting mutual competition. He advocated constructive salesmanship.

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Insurance Personnel Exclusively
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Highlights
IN
INSURANCE HISTORY

Insurance Against Capture

An insuring was made in London May 9th, 1760, "interest or no interest" on behalf of George Carter, the Governor of Fort Marlborough against the said fort being taken by any foreign enemy. The Fort was taken on April 3rd 1761 by the French. The Underwriters at Lloyds resisted payment of claim. An action was brought on the policy and verdict obtained. (There had been no similar claim in the law books.) The underwriters appealed on the ground of there having been fraudulent concealment when the insurance was obtained. They claimed among other things that the state and condition of the Fort at the time of the insuring had not been truthfully presented.

The NATIONAL UNION and BIRMINGHAM are outstanding for their records of settling losses promptly and fairly.

**National Union
and Birmingham
FIRE INSURANCE COMPANIES**
PITTSBURGH PENNSYLVANIA

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FINANCIAL STATEMENTS DECEMBER 31, 1945

VALUATIONS ON BASIS APPROVED BY NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

Companies	Capital	Total Admitted Assets	Liabilities (except capital)	Surplus to Policyholders
Firemen's Insurance Company of Newark, N. J. <small>Organized 1855</small>	\$9,397,690.	\$54,848,473.	\$31,764,718.	\$23,083,755.
The Girard Fire & Marine Insurance Company <small>Organized 1853</small>	1,000,000.	6,412,691.	3,691,439.	2,721,252.
National-Ben Franklin Fire Insurance Company <small>Organized 1866</small>	1,000,000.	5,891,844.	3,233,665.	2,658,179.
The Concordia Fire Insurance Co. of Milwaukee <small>Organized 1870</small>	1,000,000.	5,981,590.	3,232,950.	2,748,640.
Milwaukee Mechanics' Insurance Company <small>Organized 1852</small>	2,000,000.	15,712,261.	8,759,027.	6,953,234.
The Metropolitan Casualty Insurance Co. of N. Y. <small>Organized 1874</small>	1,500,000.	16,207,622.	11,082,112.	5,125,510.
Commercial Casualty Insurance Company <small>Organized 1909</small>	1,000,000.	16,497,745.	10,952,765.	5,544,980.
Royal Plate Glass and General Ins. Co. of Canada <small>Organized 1906</small>	100,000.	357,392.	1,384.	356,008.

Pittsburgh Underwriters - Keystone Underwriters

PACIFIC DEPARTMENT
220 Bush Street
San Francisco 6, Calif.

SOUTHWESTERN DEPARTMENT
912 Commerce Street
Dallas 2, Texas

HOME OFFICE
10 Park Place
Newark 1, New Jersey



CANADIAN DEPARTMENTS
465 Bay St., Toronto, Ontario
535 Homer St., Vancouver, B. C.

WESTERN DEPARTMENT
120 So. LaSalle Street
Chicago 3, Illinois

FOREIGN DEPARTMENT
111 John Street
New York 7, New York

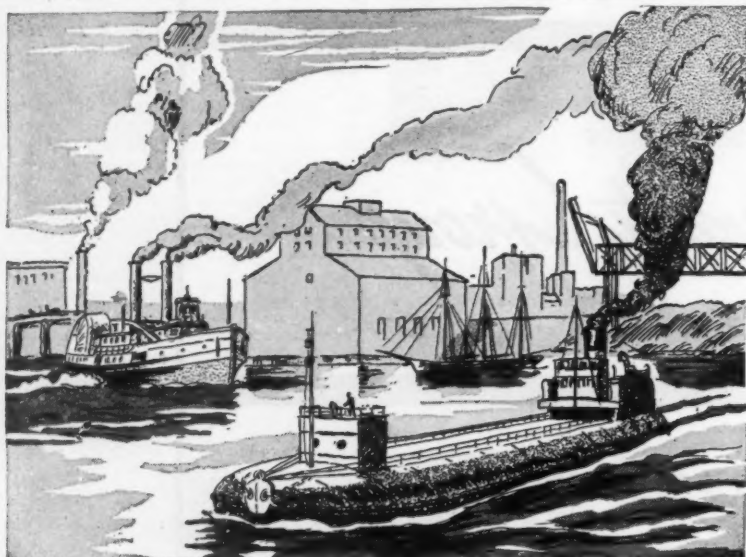
American Completes First 100 Years in Business

Men and Policies That Made It a Leader Are Described

This year American of Newark is taking a look at the record and with justifi-

able pride is recalling some of the incidents that mark its 100-year course.

No one special event or observance is planned, but throughout the year on appropriate occasions the company will modestly call attention to the centenary. One way in which this already has been done is to get out a very handsome



LAKE SHIPPING

Great Lakes shipping has long been an important part of American commerce. In 1858, Chicago's imports and exports equalled one fourth of the entire foreign trade of our country. A vast industrial center began to develop around the lake ports, absorbing boatloads of raw material such as iron ore, coal and limestone. Much of the Middle West's grain harvests waited in elevators to be shipped at Milwaukee and Chicago. The steamboats used on the Great Lakes were unique in construction and came to be known as,

"Whaleback Steamers". Originally they were largely used for transporting ore.

* * *

Insuring the grain, wheat, coal, and ore constantly flowing through the great Mid-West, Chicago and Mid-Western agents learned long ago that the assistance they received from Appleton and Cox Chicago branch office was of inestimable value. If you have never availed yourself of these facilities, try them out today. You will be more than pleased at the display of cooperation.

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Domestic and Foreign*

LEONHART and COMPANY, Inc.

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BALTIMORE 2, MD.

40 EXCHANGE PLACE
NEW YORK CITY 5

1945 annual report. In it are presented in a clear and forceful way the various factors of interest in the year's operations. Graphs, pictures, and illustrations are used to get the information to the non-technical eye quickly and effectively.

The wide distribution of stock ownership is a matter of pride with the company, and this is emphasized to show the company's American and democratic character. The business done by the companies in the American group is illustrated in various ways. There are sections for the company's 10,000 local agents, its employees and directors. Attention is called to the change in insurance regulation and to the fact that through the years production has been broadened and rates reduced.

The details of investment portfolio, which makes up so large a part of most companies' annual statement showings, are carried in a separate leaflet where they can be examined by those especially interested but will not detract from the appeal of the report to the average reader.

American is the oldest insurance company still operating the United States to bear the name American. The company is American in inception, tradition and concept of service and business philosophy. Its character was shaped by such men as Stephen G. Gould, Frederick H. Harris, Philemon L. Bradley, Charles E. Sheldon and C. Weston Bailey. The virtues of these and many other men of integrity, energy and vision have established its character.

The company was founded in 1846, the year which saw the settlement of the Oregon dispute, the occupation of California, the immigration of Mormons to Utah and the opening campaigns of the Mexican war. The impulse toward expansion was felt in the east as well as in the west.

Headed by Lewis C. Grover, a Newark business man, a group of men, concerned over the fact that Newark, a thriving community of over 25,000, had limited fire insurance facilities, applied for an insurance company charter in the name of American Mutual Fire & Marine. Therefore Newark business men and residents had purchased their protection from New York.

The first official meeting of directors was held March 20 in Mr. Grover's office. Thomas V. Johnson was elected president, John W. Ponier vice-president and James A. Woodhull secretary-treasurer. The latter had most to do with the early operations of the company. He was its only paid employee for several years, and acted as underwriter, salesman, clerk, office boy, and officer. He was with the company 27 years and was its mainstay during the formative period.

The company started with no capital or reserves. To offset the risk of heavy loss, it set up an emergency fund of \$20,000 which was to be used until premium income reached an adequate sum. The reserve was represented by notes signed by the directors. The company opened for business on April 1, on Broad street.

After a few weeks, the company began to appoint local agents. From the outset it was an agency company. By May 5, it had four agents in New Jersey, at Morristown, Millville, Rahway and Dover. By 1848 it had New York and Pennsylvania agents as well. The latter was appointed on condition that the company was not to be charged with the state tax.

The company's first loss was for \$99 on a barn. Its second was Jan. 7, 1847, for \$50 for loss of "peanuts on board the Brig Bell." Rent the first nine months was \$112 and there was an item of \$2 spent for a map of Newark.

At the beginning of 1847 directors decided that participating policyholders should receive dividends, if any, in interest-bearing scrip, after net earned premiums reached \$50,000. The company was entirely self-supporting from the start. No demand was ever made on notes that directors had signed. After three years the company moved to 153 Market street, where it became a tenant

of Mutual Benefit Life at \$200 a year rental. It began paying a salary to the vice-president, \$600 a year.

In 1850 President Johnson retired from that position, though he continued with the company 16 years, and Mr. Ponier was elected. Stephen G. Gould became vice-president. He was an original director. In 1852 the company made a donation of \$5 to the Fire Engine Company No. 9, a far cry from the company's contribution to such organizations today as the National Board.

Some disagreement on matters of policy developed and in 1854 Mr. Ponier resigned as president and was succeeded by Mr. Gould. Mr. Johnson returned as vice-president, and Lewis C. Grover, the original director who had resigned, returned to the board and became attorney and general counsel.

In the first eight years growth had been sound but slow. Premiums at that time totalled \$106,152. Assets at the end of the period were \$31,515 and total amount at risk was \$1,694,130. Premiums in 1853 totaled \$786,000.

Heretofore the company management had consisted of earnest and sincere amateurs dabbling in insurance. Mr. Gould's personal drive, character and experience added the professional touch. The company rapidly changed from a local, small town concern to an important enterprise of national standing and recognition.

Mr. Gould was a self-made man. He had grown up with Newark. When American was founded he was 38 with an established place in the community. In 1854 he was in the prime of life. Then one of his first steps was to discontinue the writing of marine on which experience had been unsatisfactory.

This change placed the company im-

Property Facts Are Basic

The starting point for sound solution of problems of Insurance, Income Taxation, Re-conversion, Accounting and Finance is an accurate knowledge and record of Property Facts.

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VALUATIONS • PROPERTY RECORDS
DEPRECIATION STUDIES

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mediately on a profitable basis and it established the American tradition of specializing and concentrating on fire insurance. The company did not re-enter the marine field until the first World War.

Mr. Gould provided a vigorous administration. By 1836 the company's profits had risen to \$65,000. At the end of the company's first ten years the first dividends were paid the policyholders. The limit of insurance on any one risk was increased from \$5,000 to \$8,000 in 1858. In 1860 the company made a donation of \$500 to the Exempt Firemen to purchase a steam fire engine, the first to be installed in the city.

Before and After Civil War

In spite of the threat of civil war, early in 1861 the company made plans to erect its own building, a four-story brick office structure on Broad street, and in April of the following year moved to the new address. During the war Newark grew and immediately afterward a wave of prosperity engulfed the city. American's business increased proportionately and in 1867 the directors increased the risk limit to \$15,000.

In 1867 the company took steps to convert to a stock company. American Mutual had received in its existence \$825,965 of premiums, had paid \$206,102 in losses, \$170,207 in expenses, and \$36,817 in taxes.

By 1872 assets had increased to \$1,015,676. There were still \$600,000 of scrip outstanding, which had been paid to policyholders in the form of dividends. Mr. Gould concluded that the time had arrived when the change from mutual to stock could be effected. The charter of the company was amended and made perpetual and the present name adopted. Paid in capital was \$600,000. In 1873 Chicago and Boston agents were appointed. In that year James H. Woodhall died after 27 years of service and Col. Harris took over as treasurer. Philemon L. Hoadley joined the company as traveling surveyor in 1874 and in 1875 was named the first superintendent of agencies.

In 1876 the company hired a new office boy, Calvin W. Bailey, a neighbor of Mr. Gould. In 1877 Elias O. Doremus, Newark building contractor and real estate man, joined the board and in 1881 became vice-president. After 37 years of service, in 1883, Mr. Gould died.

HARRIS REGIME

Col. Harris was elected president. He had served in the Civil War, rising from a captain to a brigadier general. He joined the company immediately after the war and became secretary. He had been admitted to the bar in 1862.

Perhaps because of his military background, he was something of a martinet. He enforced office discipline with some severity and most of the staff, except P. L. Hoadley, who was always an independent individual, stood in awe of the senior executive. An office boy of that day, now retired from the company, recalls with what trepidation he used to stand on tiptoe to help Col. Harris on with his coat and then dash out into Broad street in front of the building to halt the local horsecar so that President Harris might ride home in state.

The staff of the company in 1883 consisted of five officers, seven clerks, one office boy and one janitor. It was an army consisting mostly of generals.

Changes Investment Policy

One of Col. Harris' first administrative measures was to broaden the investment policy of the company to make call loans, and to invest in bonds or other securities of railroads, street railways, utilities and banks. Underwriting was still pretty informal and establishment of lines and rates was based primarily upon personal judgment rather than upon accumulated experience. Most of American's underwriting was done personally by President Harris in consultation with Mr. Hoadley. Each morning the two of them would examine the daily reports that had come in and determine

between them what business would be accepted and on what terms.

At about this time American entered its first formal reinsurance treaty. C. W. Bailey recounts how, as a junior clerk, one of his duties was to take the "reinsurance book" over to one of the officers of New Jersey Fire where coverage was closed by the simple process of initialing the individual risks entered in the book.

By 1886 the company's business had grown to national proportions. George W. Spenser was manager of the Pacific Coast department at San Francisco. In spite of any personal peculiarities, the administration of President Harris was sound and constructive. At the 50th anniversary of the company in 1896, cash assets stood at \$2,503,000 and surplus at \$1,453,000. Mr. Harris died in 1899 after serving the company for 33 years. Before his death, however, he initiated negotiations for acquiring Rockford Fire at Rockford, Ill. These were completed shortly after Elias O. Doremus succeeded Mr. Harris as president.

The Rockford company was chartered in 1857, and started operations in 1867. An idea of its early business can be had from an advertisement issued in August, 1877, which states that the company "insures only farm property, town dwellings, school houses and churches" and adds the following summary:

"Facts for farmers: The Rockford insures against lightning. It keeps out of large cities. It has not a dollar at risk in Chicago. It has 20,000 farmers for patrons. It confines its business to this state. It sends no money out of Illinois. It settles liberally and pays promptly."

Sheldon Joins Rockford

It was shortly after this that Charles E. Sheldon joined the company as assistant secretary at Rockford. He was one of the most able and energetic insurance men in the middle west. In 1882 he became secretary and his influence was increasingly felt. By 1896 Rockford Fire had become a real factor in the business in the midwest and was operating in Illinois, Indiana, Iowa, Michigan, Minnesota, Nebraska and Wisconsin. It was doing a net annual premium volume of more than \$600,000 and early in 1899, directors of the Rockford who were its majority stockholders were approached by a syndicate that wished to buy the company for purposes of liquidation. The offer of \$320 a share on a par value of \$100 was too attractive to be refused. There remained the task of reinsuring the outstanding business in order to release the company's assets.

It was Mr. Sheldon who established contact with American, and the deal was closed on June 12. American took over the good-will and equipment of the Rockford together with an agency plant of some 2,000 agents. Mr. Sheldon remained as manager of the new western department with headquarters at Rockford. American practically doubled its business and established itself strongly in a section where theretofore its business had been comparatively insignificant.

There was a period during the next few years when the tail showed signs of wagging the dog. Charles Sheldon was not a man to stand still. In six years from 1900 to 1905 the premium income of the western department jumped from \$700,000 to more than \$1,435,000. A lively rivalry developed between Mr. Sheldon and Mr. Hoadley, who had been elected first vice-president.

German of Freeport was one of the several companies compelled to reinsure after the San Francisco fire and earthquake, and its entire business was taken over by Royal of Liverpool, England. The latter turned over the German's farm business to the American, totaling \$731,098 in premiums.

In 1905 American completed its own western department office building in Rockford and there was a great celebration to mark the occasion. Many of the officers from Newark attended. Mr. Sheldon was toastmaster.

The Rockford-American office not only was a successful producing unit but

a training school for a number of successful insurance men. Among them were Jesse Daggett, first manager of Security's western department following Mr. Sheldon's resignation from that post; Bernard T. Duffey, for years Ohio state agent of Royal and now manager at Cleveland for that company; Sumner Miller, assistant manager of Security; Howard F. Waterman, secretary of Agricultural; Fred W. Sullivan, second vice-president of Firemen's at San Francisco; Frank Chadwick, second vice-president of Firemen's at San Francisco, and E. K. Crawford, assistant manager of Security.

In 1903 American increased its single



L. E. Falls



Paul B. Sommers

risk line to \$25,000 and again broadened its investment policy. It began construction of a new building at 70 Park Place in Newark, a building that is still architecturally one of Newark's distinguished business structures.

Three Conflagrations

The following years of Mr. Doremus' administration were clouded by three disastrous conflagrations which cost American a great deal of money. The first of these was the great fire in Paterson, N. J., that wiped out a large part of the city in 1902. Two years later a fire in Baltimore destroyed more than 2,500 buildings. Then came the earthquake and fire that almost destroyed San Francisco. American's payments in the latter disaster totaled more than \$1,110,000.

Mr. Hoadley became president in 1907. He was pre-eminently a fire insurance man. In his early years he was in the banking and local insurance agency business. In 1869 he became special agent of Hanover Fire in eastern New Jersey and southern New York, and then entered the head office of Hanover where he remained until 1874 when he joined American. His first responsibility for some years was underwriting and building the company's agency plant. He became vice-president in 1900.

His basic training in the fire business stood him in good stead in the decade prior to the World War which saw many new developments in the insurance business.

Immediately on election to office he arranged for an increase in capital from \$600,000 to \$750,000, and at the same time the company established a special reserve fund of \$300,000. Two years later capital was increased to \$1 million.

Broadens Powers

It was during this period that the company's charter was amended on several occasions to broaden the underwriting powers to include insurance against lightning, windstorm, inland marine risks, etc. Single risk lines insurance went to \$50,000. The agency plant was increased and improved. In 1911 Jersey Fire Underwriters was established as a separate producing department. It is still in active operation and has contributed substantially in building the company's premium volume.

Mr. Hoadley's outstanding contribution, however, lay in the establishment of a point of view. He was the first president of the company who really thought in national and international terms. He did not regard the company as a local New Jersey organization with semi-detached outposts over the country, but as a unified whole which should be administered under uniform policies. He saw to it that the company became as-

sociated with the leading underwriters' organizations, and lent his influence toward stabilization of the business. These policies became so firmly imbedded in the company's thinking that they have persisted and grown stronger through the years.

In 1914 the company began writing automobile insurance, the early policies being termed "valued and non-valued fire and theft floaters." In this year C. W. Bailey, who started as an office boy, was elected a vice-president.

First World War

When war broke out for the United States, American entered the marine insurance field in order to add its facilities to protect American ship-owners. It joined with other companies to form American Foreign Insurance Association to write fire and marine risks in foreign countries. This represented its first venture into the international field. In 1917 President Hoadley, now past 70, announced a 100% stock dividend, increasing capital to \$2,000,000.

Mr. Bailey became president in 1918 when President Hoadley died. Mr. Bailey had been with the company 42 years, had served as policywriters, bookkeeper, assistant in the agency department, examiner, assistant secretary, secretary, treasurer, and finally vice-president. He knew more about the company and its operations than any other living man and had an unquestioned reputation for sincerity and integrity. Realizing that American had grown far beyond the status of a one-man company, one of Mr. Bailey's first measures was to bring into the organization some young, able executives to help him shoulder the load and furnish future executive material.

BAILEY'S NEW POLICY

First of these younger men to join the staff was Paul B. Sommers, who at 35 already had an extensive fire insurance background in the agency field. After leaving college, he became assistant special agent for Scottish Union in the Rocky Mountain territory. Later, he transferred to Ohio as state agent. In 1918 he became a partner in the agency of E. P. Lenihan & Co. at Cleveland. He knew the sales end of the fire business from every angle. Mr. Bailey named him the superintendent of agencies early in 1920. Lawrence E. Falls shortly thereafter joined the company in 1923. He had already had some 13 years' experience with fire and casualty lines, including work for Western Reserve of Cleveland, Aetna Accident & Liability of Hartford, and a number of years' experience in operating his own agency. He prepared one of the first agents' manuals on the subject of use and occupancy insurance early in his association with the company.

Mr. Bailey thus established the policy of inducting into the service of the company at periodic intervals a succession of younger men who could be counted on to adapt themselves to the American tradition and carry it on as they assumed senior executive rank.

BECOMES GROUP

Between 1921 and 1929 American increased its capital six times, from \$2,000,000 to a total of \$6,681,570. Partly this was due to Mr. Bailey's determination to build a new fire and casualty group with American as a nucleus. Columbia Fire was the first company to be purchased. Organized in the 1880s in Dayton, it had been operated conservatively and had a fine reputation. The purchase was completed in 1924, and subsequently its capital was increased from \$300,000 to \$500,000, then to \$1,000,000 three years later. American then bought Dixie Fire of Greensboro, N. C. Harry R. Bush was president of the Dixie. He had been a former superintendent of agencies of American. The

(CONTINUED ON PAGE 19)

S. A. Richards "V.-P. in Charge" of Olympic of Cal.

LOS ANGELES—S. Arch Richards, formerly assistant secretary of the Fire Association in Philadelphia, has been elected "vice-president in charge" of Olympic of Los Angeles. It is controlled by Pacific Finance Co., which in turn is owned by Lockheed Aircraft Corp.

Mr. Richards came to Los Angeles in 1931 with General Exchange as an adjuster, later becoming underwriter, claim examiner and claims manager. He was transferred to the El Paso office as branch manager and subsequently to Des Moines in a similar position. Later he was made zone manager with headquarters in Chicago, and in 1938 was elected an assistant secretary of the company.

He joined Fire Association in 1939 as superintendent of the automobile loss department, later was made manager of the automobile department and managed the company's local suburban auto and marine departments. In 1944 he was made superintendent of agencies with jurisdiction over Ohio, Pennsylvania, West Virginia, Delaware, Maryland and the District of Columbia. In January, 1945, he was elected assistant secretary.

Assisting Mr. Richards will be J. S. Anderson, vice-president in charge of accounting and statistics; William D. Van Cleave, manager of the claims department, and J. Gerald Kirkman, manager of the underwriting department. Mr. Van Cleave has been with Pacific Finance Co. since 1927 and Mr. Kirkman since 1928.

C. A. Barkers, Jr., is chairman of Olympic (holding a similar position with Pacific Finance and also vice-president and treasurer of Lockheed Aircraft); Maxwell C. King, president; A. M. DeLauney, executive vice-president.

Hail Season Starts Off Strongly in Southwest

The hail writing season has gotten well under way now in the southwest, including Kansas, Texas and Oklahoma, and the business seems to be flowing at about the same high level that prevailed last year when hail insurance premiums set a record. There have been some crop scare stories in the newspapers and over the air, but the hail insurance specialists say that the situation has not yet reached an alarming stage. The most critical area is in the far west in the Panhandle of Texas and Oklahoma. Crops there have not yet been written off by any means, but they do need rain very soon.

Hail Men Discuss New Loss Factors

Productivity of grain struck by hail and the height of the sickle of harvesting machine cutting line in loss adjustments were discussed at the Wichita Hail Adjusters conference last month, resulting in a recommendation that these factors be incorporated on adjusters work sheets.

In a panel discussion hail men agreed that early season losses should be adjusted after harvesting in order to determine the actual loss because the cutting line or height at which sickle of the harvesting machine travels, depends on the fitness or rankness of the crop being harvested. The position of the cutting line determines which of the hanging heads are counted as recoverable and which will be lost in harvesting. Hail men discussing this showed a difference of opinion ranging from those who felt that the cutting lines must be agreed on in each case between adjuster and farmer and those who advocated use of an established table. Some also maintained that any stalk broken by hail will die without producing grain while others said that they will produce grain in proportion to the stage of growth at which hail breakage occurs.

Points to Dangers of Underinsurance

CINCINNATI—The grave dangers from underinsurance arising from the rapid increase in real estate values were pointed out by J. J. Conway, manager Western Adjustment, and George Maggini, secretary Perkins & Geoghegan, at an educational meeting for solicitors sponsored by the Cincinnati Fire Underwriters Association.

Mr. Conway stated that the rise in building costs for a home costing \$8,400 in 1939 to \$12,000 in 1946 is 43% on a national average. Furthermore, the picture is changing so rapidly that a careful check-up on coverage should be made every few months. In addition, A. M. O'Connell, manager Eureka-Security agency, gave a fine talk on salesmanship.

Frederick Rauh, president, outlined plans for the mid-year meeting of the National Association of Insurance Agents. M. G. Jensen, casualty manager Travelers, described the latest development in the bank-agent auto finance plan.

Mr. Conway said a great deal has been said about the rise in construction labor costs, but this increase is in line with the cost of the item itself. For example, the cost of inserting a two-by-four inch beam in 1939 as compared to 1946 is not out of line with the rise in the cost of the beam itself. Comparing specific costs in 1939 and 1946, he said the costs for an \$8,400 home had gone up as follows: exterior walls, \$1,779 to \$2,205, increase 24%; interior walls, \$885 to \$1,089, increase 23%; roof, \$821 to \$1,205, increase 46%; floors, \$508 to \$807, 58%; foundation, \$1,123 to \$1,531, 36%; electrical work, \$356 to \$441, 20%; plumbing, \$827 to \$1,041, 25%; heating, \$400 to \$500, 25%; hardware and miscellaneous, \$500 to \$699, increase 39%.

The statement that 93% of all the properties in Hamilton county require additional insurance protection is not an understatement, he declared. Buildings valued as recently as from seven to nine months ago are still off. A dwelling built for the market and sold by the builder in 1935 in Cincinnati for \$17,000 was resold for \$21,000 in 1939 and for \$38,700 in April, 1946. A suburban Hyde Park dwelling which sold for \$17,400 in 1939 was sold for \$33,200 April 5, he stated.

The real estate market has not reached its peak and the agent will have to make sure that the insured's investment is protected. Some way will have to be found to give the benefits of extended coverage under co-insurance, he emphasized.

Mr. Maggini cited actual cases to show the inequities arising from losses under co-insurance clauses written on older buildings. He made three suggestions: Consult every insured about his increased values; increase the amount each insured is carrying, and eliminate the co-insurance clause in the case of older buildings. While the insurance may cost a little more without co-insurance, it is well worthwhile because of the high replacement costs for which the insured will be penalized if he has it.

Sessions All But Perpetual

After deliberating in Chicago for a solid week, members of the all industry committee and the drafting subcommittee of the commissioners committee on rates and rating organizations, adjourned Friday evening for the weekend and then assembled at Atlantic City again Monday to continue their conversations. The Atlantic City meeting comes at the same time as the annual meeting of the U. S. Chamber of Commerce at the same place. There are still several major points of difference between the all industry group and the commissioners.

NAIA Cincinnati Committees Busy

Local arrangements for entertaining the delegates and guests to the midyear meeting of the National Association of Insurance Agents in Cincinnati, May 12-16, are progressing rapidly under the able direction of Frederick Rauh, president of the Cincinnati Fire Underwriters Association, who is general convention chairman.



J. F. Schweer

Assisting Mr. Rauh in the handling of the many administrative details are Joseph F. Schweer, secretary of the Cincinnati association, and a general convention committee composed of the chairmen of the several operating committees.

The reception committee is headed by William A. Earls, chairman, and Harold O. Roth, vice-chairman. Serving with them are Harry M. Alexander, Thomas T. Bryant, Clifford W. Clemons, Joseph T. Dillhoff, Thomas M. Geoghegan, W. S. Hukill, Jr., Carl Kleve, Gustav May, West Shell, Theodore Safford, Earl W. Wagner, George B. Wilson and J. Gano Wright. All members of this committee are past presidents of the Cincinnati association with the exception of Vice-chairman Roth who is a member of its board of governors.

The full roster of the other Cincinnati convention committees as announced by general chairman Rauh is as follows:

Entertainment committee: Theodore Safford chairman; George B. Maggini, vice-chairman; James Barkdull, Eugene R. Buss, Frank B. Curry, Carl Dieterly, G. Andrew Espy, Albert Heister and Hugh Klappert.

Golf committee: Thomas T. Bryant, chairman; West Shell, vice-chairman; Thomas W. Earls, John J. Fischer, Robert Harrison, Elmer Kinker, Eppa Rixey and Robert H. Whiteside.

Hotel committee: Gustav May, chairman; Donald A. Streit, vice-chairman; Louis Bauer, Max Bernstein, Arthur Clemons, Raymond Folz, Thomas J. McEvilly, Jr., and R. G. Zoller.

Promotional committee: Leslie C. Graham, chairman; George J. Shaw, vice-chairman; Joseph H. Dillhoff, William A. Kreidler, William J. Leonard and Carl Miller.

Registration committee: Arthur M. O'Connell, chairman; Walter Alexander, vice-chairman; Herbert Bernstein, Albert Eckes, Julian Lenke, Arthur M. Peck, Clifford B. Sears, Raymond C. Storch, H. Patrick Sweeney, and William Wagner.

Arrangements Perfected for Commissioners Special

Final arrangements have been made for running a special train out of Chicago the evening of June 6 on the Burlington-Northern Pacific for the insurance commissioners convention at Portland. It will be an all-room train. Arthur Smith, Illinois insurance department, Board of Trade building, Chicago 4, Ill., will take care of reservations. Room reservations at Portland should be made through Ferry Smith, 614 Board of Trade building, Portland 4, Ore.

Trips are planned by the Portland committee to Bonneville Dam, Columbia River Gorge Hotel at Hood River and other opportunities for seeing Oregon country. The Portland roses should be at their peak during the Convention.

A trip to Timberline Lodge is being planned for the ladies as well as various trips to other points of interest.

Carl Zuelske has opened a local agency at Appleton, Wis. Roger Downey has purchased the E. W. Osenbaugh agency, Crideraville, O.

L. E. Falls Is Retiring from American Post

The directors of American have retired Vice-president Laurence E. Falls, at his own request, effective May 1, under a generous retirement allowance.

Mr. Falls resigned as a director of American and the directorships and executive appointments as well of Bankers Indemnity, Dixie Fire and Columbia Fire of Ohio.

Harold P. Jackson, president of Bankers Indemnity, was elected a vice-president of American, Columbia and Dixie. However, he relinquishes none of his duties as president of the casualty company but will assist the management of the parent company in administrative matters.

Bruno C. Vitt, vice president of American, was elected a director of that company, and director, vice-president, and member of the executive committee of Bankers Indemnity, thus bringing into closer administrative cooperation the executive staffs of the parent company and the affiliates.

Mr. Falls, a native of Mississippi, entered the business in 1907 with Western Reserve of Cleveland. When that company retired he entered the casualty field with the liability department of the Aetna Life companies and later became general agent for United States Casualty. He also represented several fire companies as a member of the Falls & Gilsdorf agency at Cleveland. He sold his agency in 1923 to become special agent of American and was called to the home office the next as superintendent of agents. He was elected vice-president in 1927.

Mr. Falls has been one of the best known men in fire insurance. He has a winning presence and has addressed many insurance gatherings.

Utah Interim Committee Ready for Insurance Study

SALT LAKE CITY—The interim insurance committee, appointed by the last Utah legislature is ready to commence consideration of insurance legislation. A preliminary draft, submitted by attorneys engaged by the committee, was presented at a recent meeting. Primary revisions and additions contemplated include rating and other laws necessary to meet federal requirements, with special reference to public law 15; adoption of a uniform liquidation act, providing for administrative procedure in the handling of complaints and hearings before the insurance commissioner, an agents' qualification law, enactment of a law relative to the control of non-profit companies, unauthorized insurance organizations, hospitalization companies, and the "Guertin" law relative to policy valuations and non-forfeiture values.

Chairman of the committee is Senator Grant Midgley and C. N. Ottosen, assistant attorney general, is secretary.

Suggests Telephone Solicitation

CINCINNATI—Every home owner having fire and extended coverage is a prospect for the comprehensive personal liability policy or residence outside the policy, Francis W. Potter, field supervisor Aetna Casualty, told the University of Cincinnati insurance course sponsored by the Cincinnati Fire Underwriters Association.

This type of prospect is readily solicited on the phone and the results will amaze the agent, he declared. A girl may do this work. He cited the case of a Lansing agency in which the agent promised his three office girls that he would give them a day off for every ten policies sold of this type. He called the offer off when one of the girls sold 168 policies and other two sold 68 and 42, respectively.

Lower Income Families Emerge as Best Prospects

The low income group, now receiving high wages, is coming on the market as the best class of insurance prospects, W. Loring Ferguson, New Orleans, executive committeeman of the N. A. I. A., declared at the annual meeting of the Louisiana Association of Insurance Agents at Monroe.



W. L. Ferguson

Mr. Ferguson said: "The war has caused a redistribution of income in favor of the wage earner. This fact has an important bearing on the business and the local agent who plans his work in accordance with the trend will make more money."

Resetting Sights

This will require setting the sights on a new type of prospect, because before the war agents spent most of their time with people in the better than average income groups. There are serious drawbacks to soliciting such people today, Mr. Ferguson said. Those in the better than average groups are hit hardest by income taxes and the number of families in this group are very few in the average community.

Group Needs Educational

The way to take advantage of business from the so-called low income groups which now have terrific buying power is to advertise in union bulletins and newspapers, church publications and local newspapers, Mr. Ferguson said. He warned that this class must be educated to the need for insurance. Prospects must be selected with an eye to their future business. They should be sent letters giving them statistical evidence of increasing property values and replacement costs, he said. Most people are more conscious now of the possibilities of loss from all causes than they were a few months ago. The average worker never has had the insurance he needs because of inadequate income. Now it is different, he has the money and can be sold.

Airplane Decides to Pray in Landing at Memphis

Many airplane passengers have had moments when a short prayer seemed in order, but last Saturday night in Memphis four insurance executives had the opportunity of being present when an airplane decided to pray.

J. R. Berry, general counsel of the National Board; J. G. Bill, secretary of the joint committee and assistant manager of the Inland Marine Insurance Bureau; Harold Wayne, secretary of I. M. U. A., and W. H. Rodda, secretary of the Mutual Aircraft Conference, were aboard the plane after attending the inland marine conference in New Orleans.

After the wheels had touched the runway, they suddenly folded and the plane came in on its belly.

"What happened?" everyone wanted to know.

"Well," answered the pilot, "It seems this plane just got religion and decided to kneel right down in the runway and pray."

No one was injured.

Kansas Field Men and Blue Goose Meet in Wichita

The annual round-up of Kansas Blue Goose, the Kansas Fire Protection Association and the Field Clubs at Wichita May 14-15 starts off with meetings of the field clubs, the Kansas Fire Underwriters Association headed by W. S. Gibbons, St. Paul, and the Kansas Field Club, headed by Harold Holtz, Millers National. No further meetings are scheduled until Wednesday morning when the preventionists will gather for their annual meeting with President N. K. Nelson, Great American, in the chair. There will be a luncheon.

The Blue Goose gathers in the afternoon for a business session and "splash" with Sunflower puddle of Wichita as host. There will follow a fellowship hour and the annual banquet and entertainment in charge of C. C. Crow, Underwriters Adjusting, Wichita. It will be a homecoming for nearly a score of Kansas ganders who have returned from the services in the last few months. Carl E. Smith, Royal Exchange, is most loyal gander of the Kansas pond and I. T. Stubbs, Monarch Investment Co., is big toad of the puddle.

Schade Leaves F. S. James to Open Own N. Y. Office

C. W. Schade, formerly with Fred S. James & Co., has opened his own office as an insurance broker and auditor at 285 Madison Ave., New York 17, N. Y. Mr. Schade began his insurance career in Montreal with MacKenzie & Hanson. He left there in 1926 to become insurance manager of American Home Products Co., where he remained until 1939. He was for three years with Herbert L. Jamison & Co., insurance brokers, New York, and since then with F. S. James.

When New Values Go In...



...More Insurance Comes Out

Nine out of ten of America's institutional buildings such as colleges, hotels, hospitals and schools have already started, or in the next few months will start to add new values to those buildings.

Because of the increase in construction costs such buildings are worth much more as they stand, without improvement, than they were before the war. With the almost universal intention to improve those buildings by remodeling, re-equipping, expanding, and refurbishing, in a very great percentage of cases these institutions will need nearly twice as much property insurance as they had in 1941.

There are few classes of property owners who should be as conscious of the need for complete liability insurance protection, because so many people use these buildings.

This month the Security Insurance Companies are suggesting that their agents concentrate on offering their services to institutional risks. A letter is suggested to be sent to institution officials, a complete plan is offered, and two check-lists are provided. One lists nearly fifty different types of organizations, all of whom would make profitable, valuable clients, and the other lists over sixty different types of insurance all of which are applicable to

some of the institutional risks. This latter list can be used in checking over policies to be sure needed kinds are in force.

This group of sound New England insurance companies, offering practically all forms of property insurance, continually provides new-business ideas for its select group of agents, not only from its offices but through well-informed, up-to-date fieldmen throughout the country.



Security Insurance Companies

SECURITY INSURANCE COMPANY OF NEW HAVEN
THE EAST & WEST INSURANCE COMPANY OF NEW HAVEN
NEW HAVEN UNDERWRITERS
THE CONNECTICUT INDEMNITY COMPANY

1841 — SECURITY, THE NATION'S WATCHWORD — 1946



Eastern Loss Group Marks Anniversary

NEW YORK—The Eastern Loss Executives Conference held its 15th anniversary dinner here with more than 100 on hand. Speakers included K. E. Chapman, secretary of Agricultural, who is president of the conference, and who acted as toastmaster; T. F. Buchanan, vice-president of Aetna Fire and historian of the conference, who reviewed the organization's history from its founding with a membership of 34 to its present status, with 175 members; E. W. Elwell, U. S. manager of Royal Exchange; Nelson T. Johnson, secretary-general of the Far Eastern Commission and former ambassador to China and Australia, and W. E. Mallalieu, general manager National Board.

Butte Riots Make Selling Easy

A decided increase in demand for vandalism and malicious mischief insurance has resulted from the recent rioting at Butte, Mont.

Business men and property owners have shown great interest in the standard extended coverage endorsement, including vandalism and malicious mischief endorsements, and agents do not have

to "sell" the coverages in view of the recent destruction.

There is a possibility that damage suits may be filed soon against the city of Butte and perhaps Silver Bow county, holding them liable for damage to dwelling house property and it has been rumored that ouster proceedings may be filed against some city and county officials for their failure to control or prevent destruction.

A number of claims have been filed for damages by rioting to property under the extended coverage endorsement to fire policies, which provide partial indemnity. A few claims were filed for malicious physical injury to dwelling house properties.

Orlando Agency Is Reorganized

ORLANDO, FLA.—Joseph D. Johnson, before entering the navy a special agent for Aetna Casualty traveling out of Tampa, has become associated with the local agency of Wise & Brass, the new firm to be known as Wise & Johnson. The partners are Eugene Wise, George F. Brass and Mr. Johnson.

Mr. Johnson was a lieutenant and for some time was stationed in the Philippines. He was released last December and spent several weeks taking a refresher at the Aetna school in Hartford.

Announce Program for Oklahoma Agents

Arrangements have been completed for the annual convention of the Oklahoma Association of Insurance Agents at the Skirvin hotel in Oklahoma City on June 3-4. The program, announced by Dave R. McKown, chairman of the arrangements committee includes many prominent speakers and a record attendance is anticipated.



C. J. Fitzpatrick

President Harry F. Parrish, Tulsa, will preside, and the welcoming address will be given by Mr. McKown. After announcements and the report of the president, the morning session will be given over to the legislative program. Leaders in the discussion will be Commissioner Jess G. Read, C. O. Hunt, secretary of the state insurance board, and Mr. McKown, who is chairman of the state legislative committee.

Clark J. Fitzpatrick, secretary of U. S. F. & G., will speak on "Education—A Tool of Production and Manpower" at the opening of the afternoon program. The remainder of the afternoon program will be given to a discussion of agency management and production. Guy Landes, Tulsa, will lead a discussion on "Agency Promotion and Good Will." A discussion of "Continuation of the One-Man Agency and Training the G.I. for Agency Work," will be led by Harry Frantz, Enid.

"Meeting: Mutual Competition" will be discussed under the leadership of James O. Whelchel, Tulsa. At this point the convention will recess and divide into two groups, one for agents having less than \$100,000 premium volume, and one for agents having more than \$100,000. Separate discussions will then be held on "Development of a Profitable Agency and Agency Management," led by Harry T. Moran, Oklahoma City, for agents of less than \$100,000 volume, and by E. R. Ledbetter, Oklahoma City, for agents writing more than \$100,000.

During the evening there will be a banquet, a floor show and informal dancing.

The morning session of the second day will be given over to educational discussions with subjects and leaders as follows:

"What's New in Fire Insurance?" C. H. Kelly, state manager, Home group, Oklahoma City.

"Insurance to Value & Supplemental Coverages," Zack Lang, state agent, Great American, Oklahoma City.

"Demand for Comprehensive Liability Grows," Glenn Duffy, assistant manager, U. S. F. & G., Oklahoma City.

"Developments in Automobile Liability," Burt Ludlow, Travelers casualty manager, Oklahoma City.

"Opportunities in Burglary and All Risk Money and Securities," H. A. Houston, manager, American Surety, Oklahoma City.

"A Faithful Employee Goes Haywire," Nat Gardner, National Surety manager, Oklahoma City.

Richard E. Farrer, educational director, National Association of Insurance Agents, will speak on "Why Not Travel the Paved Road?" at the opening of the afternoon session.

John W. Bowers, state national director for Oklahoma, Enid, will make a report on the National association and on the Cincinnati convention.

Insurance Women of Los Angeles have just concluded a series of classes on inland marine insurance. With Miss Edith Edgington as chairman, the discussions were led by Miss Nora Peach, St. Paul F. & M., and Miss Adelaide Stone, Fireman's Fund.

North American Again Has Special Report to Employees

For the fifth consecutive year North America has issued its annual report to employees. This is a supplement to the report to stockholders. It "breaks down" the financial statements into easily understood, simple language so that any employee can get a clear-cut and comprehensive understanding of the financial picture.

There is a break down of the premium income dollar and a 10-year progress chart.

A series of photographs shows the "North America at Work" in the head office; photographs of North America Companies Association activities and pictures of members of the Quarter-Century Club, which now has a membership of 249.

The report pays tribute to 14 employees who lost their lives in the world war and 575 others who were in the service.

List Women's Atlanta Speakers

ST. PAUL—The program for the annual meeting of the National Association of Insurance Women at Atlanta is rapidly taking shape. Mrs. Fern Anderson, president, reports. Speakers already booked include Miss Mary R. Taylor, blind life insurance agent of Atlanta; Brian Sando, assistant to Dale Carnegie, and Parker G. Sanford, vice-president and sales manager of the Retail Credit Co., on "The Development of the Inspection Business."

There will be a speaker on aviation to be announced later.

H. C. Conick to England

H. C. Conick, U. S. manager of Royal Liverpool, will sail May 12 on the "Queen Mary" for England. He will attend the annual meeting of the L. & L. & G. May 22 and Royal May 29. He will be in England for about five weeks.

Names M. J. Farley in N. J.

M. J. Farley has been appointed special agent for New Jersey by Caledonian and will be assistant to Joseph Sorge, regional supervisor, with headquarters at 31 Clinton street, Newark. Mr. Farley was formerly with Federal Hardware Mutual and before that was with Firemen's.

Slawson and Dukes Talk

C. L. Slawson, Dulaney, Johnston & Priest, and E. Y. Dukes, assistant secretary Central States Fire, joined in a discussion of business interruption insurance at a meeting of the Wichita Association of Insurance Agents. This was the third of a series of educational meetings which are to be continued for several weeks. Subject for the next meeting will be "Comprehensive Liability," Joe Moddrell, Hoffman-Moddrell agency, is program chairman.

NEWS BRIEFS

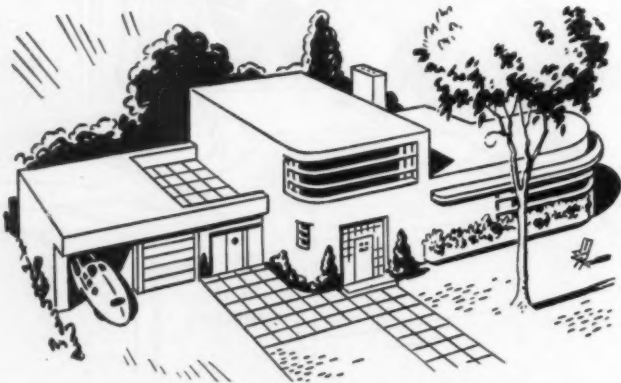
Carl E. Bailey, Wichita state agent for the Crum & Forster group who has been confined to Wesley hospital there for over three months during which he underwent two major operations, now seems to be on the road to recovery and is able to be up in a wheel chair for brief periods. He is not having visitors yet but expects to be able to see his host of friends in May.

R. T. Sweeney, U. S. manager of Caledonian, is in California and will spend the next couple of weeks visiting agencies on the coast.

Republic of Dallas has declared a quarterly dividend of 30c per share, payable May 25 to stock of record May 10.

James A. Cathcart, Jr., of Peerless Casualty, New York, was wedded to Ann Le Blanche of Forest Hills. Before her marriage Mrs. Cathcart held a position in the investment banking field. The Cathcarts will make their home in Forest Hills.

SPIRIT OF '46



BUILDING AMERICA

IN tomorrow's pattern for living is seen the progressive Spirit of '46... a spirit of newness, of freshness, of a nation building for new happiness and comfort.

It is seen in today's plans for tomorrow's homes. Here the trend is manifested in functional design, solar and radiant heating, improved lighting, insulated comfort, facilities for outdoor living. The domestic architecture of tomorrow is charged with bold new thinking and innovation... the Spirit of '46.

The architecture of tomorrow's insurance, too, is

charged with this progressive spirit. Here its manifestation is in functional methods, streamlined facilities, new concepts of service as set forth by these two forward looking fire insurance companies.

The advanced policies of Millers National and Illinois Fire have provided leadership in property protection through the years. In this new year, these policies are attuned to the progressive Spirit of '46. They are designed for modern helpfulness to agents alert to the trend.

MILLERS NATIONAL INSURANCE CO. ILLINOIS FIRE INSURANCE CO.

HOME OFFICE: 137 W. JACKSON BLVD., CHICAGO

SERVICE HEADQUARTERS FOR ALERT AGENTS

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Late Casualty News

Md. Casualty Wins Again in Williams Suit

The U. S. seventh circuit court of appeals by a unanimous decision of the three judges has upheld the decision of the federal district court at Chicago dismissing a suit brought in 1943 by a group of five stockholders headed by Milton Williams, of Cruttenden & Co., of Chicago, against Maryland Casualty and Reconstruction Finance Corp.

The court upheld the company and RFC on every point at issue. Williams had sought to set aside a financing transaction consummated in 1942 whereby RFC made available \$12½ million to Maryland.

Williams had collected a fund from stockholders to finance the appeal. He sent out a circular to stockholders this week, saying he was not surprised at the decision, as he had always thought it would be necessary to go to the Supreme Court and he states that he plans to do this. He also spoke of the possibility that he might sue individual officers of Maryland.

J. M. Fraser Elected L. & L. Indemnity V.-P.

London & Lancashire Indemnity has elected as a vice-president J. M. Fraser, who had been transferred to Hartford from Chicago where he was manager for 15 years. In his new capacity Mr. Fraser will be closely associated with W. W. Smith, senior vice-president and manager, and will have direct supervision of the company's development in the field.

Agents Group Eager to Stage Joint Parley This Fall

The National Association of Casualty & Surety Agents has been working on the possibility of having restored the old-time joint convention of that organization and the International Association of Casualty & Surety Underwriters, the company body. These conventions in the past have been red letter days in the business.

May Meet in W. Va.

The agency body has been exploring the field and finds that the government will give up the Greenbrier hotel at White Sulphur Springs, W. Va., June 1. It is now used as a hospital. Some German prisoners have been lodged there and they have been used on the golf course and doing other landscape work so the hotel and its environment are said to be in perfect shape. The agency body is eager, if possible, to have the joint convention there this fall. At the present time the company organization has a committee investigating the situation to see whether it seems desirable to have a joint meeting this year. If the companies do not favor the plan it is not likely that there will be any convention.

Buffalo Branch Office Wins

The Buffalo branch office of Standard Accident won the company's branch office merit trophy for outstanding performance in 1945.

The Standard Accident trophy is awarded annually on the basis of volume, profit and collections and the Buffalo branch led all others with a total point score of 75. Its nearest competitor, winner in 1944, the New Jersey branch scored 71. Gilbert Hildebrandt is manager of the Buffalo branch and Frank Hause is manager of the bonding department.

Estimate 350,000 Wisconsin Autos Covered First Time

MILWAUKEE—An estimated 350,000 Wisconsin motorists, not previously protected, have taken out casualty insurance since passage of the safety responsibility law by the 1945 legislature.

Eighty Per Cent of Cars Insured

Estimates were made by insurance men that the percentage of motorists with insurance has increased from 30% to 80%. Approximately 700,000 passenger cars are registered in Wisconsin.

A. L. Wortmann, chairman of the Association of Casualty & Surety Executives for Wisconsin, expressed gratification that the new law had resulted in so many motorists becoming financially responsible. He said the trend followed the pattern of Indiana, Minnesota and Illinois, which had enacted similar statutes.

Lloyds Has C. B. & Q. Cover

The Burlington Railroad is protected under a London Lloyds excess catastrophe cover for liability on account of those killed and injured in the wreck at Naperville, Ill., the other day. H. H. Holcomb, Jr., whose office is in the quarters of Continental Casualty, Chicago, is the broker.

Facts about some of the accident and life insurance policies of those killed and injured in the wreck the other day are known. Great Northern Life of Chicago had an assured under an American Automobile Association pedestrian and travel accident policy and Great Northern will pay \$10,000 on the account.

Travelers had one assured that had a \$10,000 principal sum accident policy with double indemnity for railroad accidents and that also had a \$15,000 life policy with double indemnity. Travelers will thus pay a total of \$50,000 on him.

Nine Medical Plans Qualified by A.M.A.

Plans in nine states were admitted to membership in Associated Medical Care Plans at the initial meeting of the corporation held last week at the Chicago headquarters of the American Medical Association. The plans admitted included California, Iowa, Michigan, Ohio, Oregon, Pennsylvania, New Jersey, Nebraska and Surgical Care, Inc., of Kansas City, Mo.

The board of the corporation discussed organization, operation and the admission of members. Another meeting is to be held in San Francisco during the first week in July.

A seal is in process of development which will identify plans which meet A.M.A. standards.

Newly-elected Care plan officers are: Dr. F. L. Feierabend, secretary of Surgical Care, president; William Bowman, executive director of the California plan, vice-president; Jay Ketchum, executive vice-president of the Michigan plan, secretary, and Dr. Norman Scott, medical director of the New Jersey plan, treasurer.

Removes \$50 Limitation

Indemnity of North America announces that in response to a recommendation by the committee on casualty forms of the National Association of Insurance Agents, it had removed the \$50 limitation on cigars, cigarettes, tobacco, fountain pens and narcotics in its new storekeeper's burglary and robbery policy except in New York and Louisiana. Thus the storekeeper is protected up to the usual \$250 burglary limit specified in the policy, the same as other merchandise, jewelry, etc., still carries the \$50 limitation.

Also removed is exclusion 3 which read: "of property owned by the United States government or held by the insured as postmaster."

Reinsurance

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REINSURANCE COMPANY

INTER-OCEAN REINSURANCE COMPANY CEDAR RAPIDS IOWA

FIRE and ALLIED LINES



To learn the true facts about a man—Ask his neighbors.

To learn the value of a Texas company — Ask its Texas agents.

"During 1945, our Texas fire business increased 25.07%, as compared with 1944."

To those agents now representing us who made this showing possible — our thanks.

To those agents who do not represent us—a suggestion that here is food for thought!

Fire :: Automobile :: Inland Marine

THE
CONSTITUTION
REINSURANCE CORPORATION

JAMES Y. MILNE
PRESIDENT



90 JOHN STREET
NEW YORK

Reinsurance
FIRE AND
ALLIED LINES

Business Forum at R. I. Agents' Mid-Year Meeting

(CONTINUED FROM PAGE 1)

Connors, Providence, president Rhode Island Association of Insurance Women, and John R. Hackett, Providence, superintendent insurance education, Rhode Island State College.

President Fisher introduced each of these.

Gov. Pastore appeared for a moment, bringing the greetings of the state to the agents and complimented the members of the association for their fine cooperation with the insurance department and Commissioner Carroll.

Rate Regulation Picture

Probate Judge Wm. E. Powers, Cumberland, deputy majority floor leader in the Rhode Island house of representatives and chairman of the special legislative and executive committee to study insurance laws, spoke briefly at the banquet, saying that while Rhode Island's own casualty and surety rate regulation bill failed of passage by the 1946 legislature, it is must legislation for 1947 and that it will be this bill or nothing. The Rhode Island men are opposed to the all industry bill. Mr. Powers said this bill would result in a considerable increase in rates in Rhode Island and would cost industry more than the state now gets in taxes from the insurance business.

Mr. Powers is totally blind and has been since childhood.

Mr. Payne in his talk at the business session told of the origin and traced the development of the comprehensive liability coverages and new personal liability form. He urged the agents to become familiar with these various coverages. He said there are tremendous opportunities for the sale of these lines and that agents were overlooking a good bet by not pushing them. He pointed out that in 1945 the casualty premiums for the entire country ran close to \$2 billion and that in Rhode Island in 1945 these premiums amounted to \$13 million.

Discussing comprehensive dishonesty destruction and disappearance, the 3-D form, Mr. Schiff touched the highlights principally from the sales angle. He said the 3-D is a package of insurance and that formerly the public would have to buy five or six different policies to get the same coverage. He said package insurance is easier to sell and that there is a wide open field, practically every business being a prospect for all or part of the coverage offered.

Mr. Schiff offered the following suggestions to the agent on how to sell 3-D: Know your policy, know your market and why market needs it, know your risk and be able to tell the underwriter what the exposures are.

Mr. Iago sketched in brief outline how the casualty companies look at the personal property floater policy. He traced the development of this policy stating that it is practically a householder's comprehensive policy. He believes that the policy will soon expand into a truly comprehensive policy for householders' covering real as well as personal property. He is of the opinion that a simpler form of policy will be devised.

He observed that the underwriting experience for this policy has not been so good the last few years and if this condition continues undoubtedly the companies will have to make some changes.

Plan for Minn. Joint Rally

The committee on arrangements for the joint annual meeting of the Minnesota Underwriters Association, Blue Goose, and Minnesota State Fire Prevention Association, at Roberts Pine Beach Hotel on Gull Lake, consists of C. R. Garrett, president Minnesota Underwriters Association; Paul Olinger, president State Fire Prevention Association, and Nick Dekker, most loyal gander of the Blue Goose.

W.U.A. Overhauls Rules at Meeting

(CONTINUED FROM PAGE 1)

one was asked to submit a plan of organization that he felt followed the principles in accord with experience and was in harmony with the U. S. Supreme Court commerce decision and important interpretations that had been made. There was no attempt to gloss over or hide anything. The report was found to be unusually frank, plain and conscientious. Undoubtedly the committee had attempted to anticipate some of the later interpretations that might be made. After this material was gathered it was condensed into a report. Some 16 different revisions were made before giving the final draft to the attorneys for their legal eye.

Then that document after all changes had been made was set in type and at the meeting each member had a copy so that he could follow the discussions without any difficulty. The committee was given much credit for what it had accomplished. Hours had been given to this labor. It had been a monumental task.

C. H. Smith Makes Presentation

The governing committee was in session all day Monday on the proposed changes in the rules and then they were presented to the membership in final form Tuesday afternoon.

C. H. Smith, Hartford Fire, in presenting the proposed constitution and principles of practice pointed out that the constitution is intended to be a statement of principles and the principles of practice are a statement of desirable and attainable practices which are not to be enforced by the association against members as requirements imposed on them in the conduct of their company's business, but as things which, if seriously deviated from, destroy unity of common belief and can raise the issue of ineligibility for continued membership as to any member or minority of members that persist in a course of conduct conflicting with the majority opinion. In other words, he stated, W.U.A. does not say that a member must carry on his company's business in a certain way. It simply says that if he does not conduct it according to general principles believed by the majority to be fair and sound, he may not desire to be associated with those who hold the beliefs represented by the constitution and principles of practice and the objective is to produce what the association desires.

Absence of Compulsion

There are provisions for qualifying membership as the first step in the organization. There is an absence of any compulsion in the way of discipline or penalties except that provision is made for appearances before and conference with the governing committee in any case where a member or a minority of members hold to practices which conflict with the principles and practices acceptable to the majority.

Then there is the provision for termination of membership.

Great responsibilities are placed upon the governing committee on whom the members must depend for recommendations and interpretations which must be so sound as to invite support on merit as being good business practice.

The foundation is a voluntary membership free of any power in the association to command performance.

Governing Committee Report

The report of the governing committee presented by Mr. Smith was brief. He pointed out that Iowa and Minnesota are the only two states in the territory in which the 1943 New York standard policy has not been adopted and there is little likelihood of early adoption in those states. There may be some activity next year in the way of amending

(CONTINUED ON PAGE 21)

General Agents in Atlanta Parley

(CONTINUED FROM PAGE 1)

of business, the thorough understanding of the company's problems and of laws and regulations affecting company operations, the respect and good will of business and civic interest and the satisfactory reputation earned in the local insurance fraternity, Mr. Pelletier said that "lastly, and of the utmost importance, our cost of operation to the company is lower than the cost of operation by the same company of a departmental branch office in the same territory."

This latter fact, he said, has been greatly emphasized during recent years when salaries and other costs of branch office operations have so materially increased, while the general agency cost of operation to companies has remained at a fixed percentage.

Mr. Pelletier mentioned the practice of many companies in charging allowances granted under a supervising general agency contract direct to commissions, saying that this has created misleading statistics in relation to purely commission costs.

Criticism Unjustified

"Some unjustifiable criticism of the cost of our system has resulted from this practice," he said. "The remuneration provided under a general agency contract is obviously intended to cover all expenses of operations of the general agency organization, which includes all functions and operations normally carried on by a departmental branch office. This fact was recognized by the insurance commissioners in convention back in 1930."

Mr. Pelletier said that the commissions, investigating commission acquisition costs, adopted the principle that the compensation of a supervising general agent was a "management expense." Negotiations with companies leading toward a correction of this practice have of necessity been deferred, he said, but urged that the incoming officers pursue the problem further when a suitable opportunity presents itself, while in the interim these factors will be given proper consideration in any possible future study of comparative costs of the various methods of company operations.

Sees Improved Experience

After expressing a belief that improvement in both fire and automobile experience is ahead, Mr. Pelletier closed with a tribute to those who founded the association 20 years ago. He mentioned particularly James Ross of New Orleans, Thomas Lauve of Dallas, Langdon Quinn and A. H. Turner of Atlanta and Louis E. English of Richmond.

The first session got under way with an invocation by the Rev. M. M. Warren of All Saints Church, Atlanta, which was followed by a brief address of welcome from W. Paul Willis, Atlanta, president of the Georgia Association of Managing General Agents. The response was by Carl N. Homer of Deans & Homer, San Francisco, president of the California Association of Insurance General Agents.

Other speakers on the opening day's session were Hunter Brown, Pensacola, president National Association of Insurance Agents, who brought greetings from that organization and spoke briefly on problems of public relations; Casper S. Whitner, Hartford Fire, president S. E. U. A., who told what the S. E. U. A. has done to adapt itself to conditions imposed by public law 15; and Esmond Ewing, vice-president of Travelers Fire, who discussed the public's new interest in the insurance business and what to do about it, with particular reference to the recently adopted program of "selling" the public on insurance through the efforts of all in the business who come in contact with the public.

Herbert Cobb Stebbins of Denver, the association's secretary-treasurer, reported on the organization's financial status.

It is approximately \$4,000 ahead of a year ago.

President Pelletier appointed as a nominating committee Langdon Quinn of Atlanta, chairman; A. A. Naef, Seattle, and S. H. Richardson, New York. The election will be held at the closing session Thursday.

Wednesday's business session was devoted to talks and committee reports. President Josiah Grudup of Brenau College, Gainesville, Ga., spoke on "Business and Personal Relationships in an Atomic Age"; J. G. McClure, Jr., vice-president and general manager of Underwriters Salvage Co. of New York, discussed salvage company operations. President E. L. Williams of the Insurance Executives Association was unable to be present because of having to attend the meeting of the all industry committee in Atlantic City.

Executive Committee Chairman F. H. Duff of Dallas, reported on the meeting of the executive committee held in Denver in June, 1945. Describing the results of conference of representatives of the general agents association with President Williams of I. E. A. and with various company organizations, Mr. Duff said that "your committee feels that the position of the supervising general agent will be thoroughly recognized by the companies in their present studies and deliberations of the business as a whole, which are being conducted in order to bring the business in full conformity with newly adopted federal legislation affecting the business."

S. Lewis Johnson, Charleston, S. C., in his report as chairman of the conference committee noted that President Williams of I. E. A. had recognized last July the distinction between a local agent and a supervising general agent and the desirability of having this distinction set forth and defined, that he respected the general agents' objection to any set scale of remuneration to supervising general agents and their contention that compensation is a matter of private contract between the individual company and its supervising general agent.

While Mr. Williams said at that time that in view of studies being made by the companies of acquisition costs generally it would be well for the general agents to examine their individual situations and be prepared, if called upon, to justify to their individual companies the allowances which they were receiving, Mr. Johnson said that "in Mr. Williams we believe we have a good friend who believes that we are doing our part in furthering proper relationships and he understands quite clearly just where we fit into the picture."

Discussing the problem of business written by the Factory Insurance Association and the aviation underwriting pools in territory handled by general agents, Mr. Johnson said that "Nothing more can be done on the subject of the Factory Insurance Association except that we should keep the F. I. A. in mind and try to prevent further expansion of its activities" and that something has already been accomplished in this respect. As to aviation pools, he said that while some aviation pool executives and company officials would like to see the supervising general agent recognized no suitable plan has yet been agreed upon and therefore "members should seek connections for aviation business outside the pools."

Mr. Johnson said that this committee's more recent conference with company officials found the consensus to be that regardless of legal developments that may cause the liquidating of some subsidiary companies any general agent who has properly conducted his business and maintained an organization along lines similar to a departmental office "would undoubtedly be taken care of in the matter of company representation."

As regards such liquidations he said that no one can say what the policy of any group will be until it is determined how the Clayton act will be interpreted with respect to interlocking directorates of insurance companies but it is the firm intention of all groups to further de-

velop the subsidiary companies.

Reporting as chairman of the general welfare committee, Stuart B. Scruggs of Dallas brought up two questions for subsequent discussion. First, the possible desirability of changing the association's name and second whether it would be desirable to do cooperative advertising on a national basis or to operate as now on a regional basis.

In his report as national conciller, J. K. Shepherd of Little Rock praised the work of the U. S. Chamber of Commerce with which the general agents' association has been affiliated since shortly after the latter's inception. He observed that the chamber's department of insurance and its insurance committee are providing "further opportunity for strengthening the position of insurance and improving knowledge of it among persons in other lines of activity and two members drawn from production ranks (local agents) have been added to the committee during recent years."

As chairman of the memorial committee Mr. Shepherd read the death roll for the last year and asked that all stand for a moment of silence in tribute to their memory. Those who died during 1945 were L. C. Murphy of Atlanta, H. V. Evans of Denver, G. L. Monaghan of Denver, W. H. Bowlers, Jr. of Atlanta, and L. E. Ellis of Des Moines.

The banquet and dance took place Wednesday evening and the Georgia Association as hosts saw to it that the occasion was a memorable one.

The banquet was preceded by a cocktail party given by H. C. Conick, U. S. manager of Royal-Liverpool.

It is the prime responsibility of the agents to continue to offer better coverages and better service if they are to hold public confidence and maintain their position as the recognized merchants of protection, Hunter Brown declared in his talk.

General agents as individuals can exercise a great influence with those agencies with which they do business, he said.

This good will comes about if influence is exerted on agents to increase agency manpower to the point where it does the premium volume it should be doing and gives the coverage to the public it is anxiously waiting to buy, he said. Here are literally millions of dollars in premiums waiting to be paid by the average citizen who does not now have adequate protection.

There are many problems common to agents and general agents, he said. One is that some insurance companies are planning direct method of operation instead of securing business through the local agent. There are companies now operating this way and some of them are quite successful. There is no reason that other companies may not try the same method of operation and they too may be successful.

Mr. Brown said he would not criticize a company operating on a direct basis or planning to adopt a direct-production method. Instead, he urged insurance agency forces to survey and be more critical of their own operations.

The American agency will be secure and enduring only as long as it is the best method of bringing insurance to the property owner from the insurance carrier, he emphasized; unless it is the best method, there is no justification for the existence of the system.

Referring to the program to support American business, he said, "All business is in politics today whether it wants to be or not and until we recognize that fact and do something about it, we are getting just about what we deserve because of our not thinking and acting along political lines. We are all definitely, in politics today. We must become more vocal and give our representatives in Washington a chance to know our thinking and wishes. Until we learn how to do this as vigorously and as persistently as the minority group," Mr. Brown said, "then we should not be too critical of what comes

to us from our government in Washington."

Casper S. Whitner, Hartford Fire, president of the S.E.U.A., gave a talk outlining what his organization had done to square itself with public law 15.

Mr. Whitner emphasized that the Supreme Court has never held that the S.E.U.A. was operating in violation of the federal anti-trust laws. There was never any trial on the facts nor was there any evidence introduced on either side.

He pointed out that there has been a state anti-trust law in Georgia since 1891 and the S.E.U.A. operations have never been challenged under that statute. Only once some years ago was an S.E.U.A. rule criticised by the insurance department and that rule was promptly revoked.

The present Georgia attorney general is thoroughly familiar with the operations of S.E.U.A. and he made it his business to take up with the attorneys general of the other states the question of intervening in their own behalf in the Supreme Court proceeding.

Rules Were Changed in 1935

He pointed out that since 1935 S.E.U.A. voluntarily made its rating and stamping office service available to non-member companies—stock or mutual. The obligations are identical as to rates and rules for both members and subscribers and they both have the same right with respect to uniform deviation. When the Justice Department launched its attack on the business in 1942 there were 23 non-members among non-board stock companies and 50 mutuals subscribing to the rating and stamping office services of S.E.U.A.

Mr. Whitner also pointed out that 13 insurance company organizations were initially served with subpoenas by the Justice Department and the S.E.U.A. was finally selected for the attack. The government, he said, was out for the scalp of the insurance business and not simply for the S.E.U.A.

Since public law 15 was enacted, the rules and operations of the S.E.U.A. have been analyzed critically. Prior to enactment of that law S.E.U.A. had abrogated its separation rule which applied only to dividend paying insurers and also the restrictions as to reinsurance. Now the full services of the S.E.U.A. including rating, stamping office and engineering are made available to subscribers. The same rules as to uniform deviations apply to both members and subscribers.

The constitution has been rewritten and approved. Overlapping committees and activities have been consolidated. Advisory committees of field men and general agents and the bureau managers are being appointed in each state.

These committees should be helpful in bringing about uniformity and getting away from local differences.

Convention Notes

The cocktail party Monday evening got all hands well acquainted in advance of the first session, which was Tuesday. Contributing to the occasion was the piano, accordion and vibra-harp playing of Graham Jackson, Atlanta negro, one of the late President Roosevelt's favorite musicians. The cocktail party was scheduled from 5 to 7 p. m. but proved so popular that it ran into extra innings.

F. F. Richardson, Inc., of New York City, the only association member in the entire state of New York, was represented by Stuart H. Richardson, president.

California was well represented, despite its distance from the convention city. Besides F. J. Pelletier of Hinchman-Rolph & Landis, San Francisco, who is association president, Californians on hand included Carl Homer of Deans & Homer, San Francisco; George M. Parrish of Hinchman-Rolph & Landis; Phillip Richards of Richards & Co., San Francisco, L. B. Daniels, president of Seeley & Co., San Francisco, and L. R. Eby of L. R. Eby & Co., San Francisco. Covering the most miles to get to the convention were D. W. Pearson of Bates, Lively & Pearson, Portland, Ore., and A. A. Naef, president of Seeley & Co. of Seattle.

Big Turnout for K. C. Sales Congress

Best Attendance Since War Greets Battery of Casualty Speakers

KANSAS CITY—With an attendance of about 800, drawn from here, Kansas City, Kan., and surrounding territory, the Casualty & Surety Underwriters Association of Kansas City held its third annual Casualty and Fidelity Sales Congress Monday at the municipal auditorium. It was the largest attendance at an insurance meeting of this kind here since before the war. F. G. Packwood, manager Massachusetts Bonding, was chairman.

A question and answer panel of insurance experts followed the talks of the speakers. P. H. Hawes, Speed Warner, Inc., presided. Kenneth Ross, Arkansas City, Kan., agent, spoke on "Aviation Insurance"; Holton Price, W. H. Markham & Co., St. Louis, on "Comprehensive D. D. D." and Money and Securities Broad Form"; R. A. Algive, formerly vice-president National Surety, "Valuable Papers and Accounts Receivable"; J. M. Bugbee, Baltimore, manager automobile department Maryland Casualty, "Automobile Insurance"; J. Beech, St. Louis, superintendent production American Automobile, on "Cooperation Lines"; Wellington Potter, Rochester, N. Y., was the final speaker, with the title "Mental Morphine." Mr. Potter's fatal collapse followed his talk and put a sad damper on an otherwise enthusiastic day.

Auto Edition Corrections

In the annual automobile insurance edition of THE NATIONAL UNDERWRITER dated April 19 an error was made in reporting the premiums and losses of Michigan Mutual liability. This was due to the omission of premiums and losses for comprehensive coverage. The total premiums last year were \$3,420,486, divided fire, theft and comprehensive \$524,803; B. I., \$1,370,783; P. D., \$666,238 and collision \$858,659.

The total losses were \$1,553,315 giving a loss ratio of 45.4. There was an increase in automobile premiums over 1944 of \$396,574.

Also there was an error in reporting losses and loss ratio of Michigan Mutual for 1944. Total losses paid amounted to \$1,243,044 and the loss ratio should be 41.1.

A mistake was made in entering the B. I. premiums of Travelers. The correct figure is \$16,205,833, bringing the total B. I. auto premiums of stock companies to \$229,819,804.

The figures have now become available of two companies for whom data was not given on 1945 business. They are Granite Mutual with auto premiums of \$9,144 and losses \$3,117 and Green Mountain Mutual, premiums \$44,287 and losses \$17,139.

N. Y. Rate Changes July 1

The Compensation Insurance Rating Board of New York has made formal announcement that it has undertaken a revision of compensation rates to become effective subject to department approval July 1. These changes will reflect the effect of the 1946 law amendments. The board is holding in abeyance the publication of rates for all risks with rating anniversaries on and after July 1. Members are requested to withhold issuance of policies covering such risks until further notice.

H. C. Jones to Address Buyers

Henry C. Jones, vice-president of Arkwright Mutual Fire, will discuss how the factory mutuals function at the meeting of the insurance buyers of Pittsburgh May 6.

Achenbach Week in Chicago Circles

(CONTINUED FROM PAGE 2)

Achenbach in bringing his new boat from Buffalo to Cheboygan, Mich., and during this journey Mr. Achenbach attached himself to the galley and produced sumptuous meals of hot bread and other delicacies instead of the customary fare on these occasions of spam and peanut butter sandwiches.

One thing for which Mr. Achenbach is noted is his punctuality and Mr. Vernor recalled that during his journey Mr. Achenbach insisted on serving the meals precisely at the hours that he had decided upon in advance even though Mr. Vernor at the moment might have been negotiating a difficult passage.

Skilled Cabinet Maker

Mr. Vernor also spoke of Mr. Achenbach's skillful cabinet work, saying that whatever he turned out was perfect in detail and finish. He said that Mr. Achenbach is talented at drawing but conceals this interest from all but his inner circle of intimate friends. Mr. Achenbach started out as a telegrapher in southern Indiana and he is still adept at the Morse code, Mr. Vernor said. Mr. Achenbach is one of the most versatile and human men of his acquaintance, Mr. Vernor declared.

Mr. Sauter presided with much humor and there was never a lugubrious moment.

Mr. Allen made a great hit. He spoke of Mr. Achenbach's human qualities. He recalled that he was employed in 1932 as an understudy for Mr. Achenbach in the Michigan field by Ralph Ives, who was then western manager. At that time Mr. Allen recalls Mr. Ives said, "Mr. Achenbach says he wants you. I hope you get along with him. If you don't we aren't going to fire Achenbach." Mr. Allen succeeded Mr. Achenbach in 1924 as Michigan state agent.

Ralph Ives Club

It turned out that the dinner group included several members of the Ralph Ives Club. Mr. Sauter said he was hired by Mr. Ives and Mr. Vernor was placed in his present position when Mr. Ives was chairman of the subscribers committee.

P. W. D. Jones, vice-president of Piedmont Fire and manager of the Aetna Fire's department at Charlotte, N. C., spoke in appreciation of the honor guest. He also managed to sandwich in some southern stories that convulsed the group, and he announced that he had also been inducted by Mr. Ives.

An affecting letter was read from John F. Stafford, retired western manager of Sun, who said he longed to be in Chicago for Achenbach week but that, being president of the Rotary club of Babson Park, Fla., he had to be at the Rotary convention at Miami, and he said that Mr. Achenbach, being an ardent Rotarian, would understand.

A telegram was read from W. Ross McCain, president of Aetna Fire.

Not until 1910 did Mr. Achenbach direct his principal efforts to the insurance business but his association with fire insurance dates back more than 45 years since he acted as local agent for Indianapolis Fire and other companies while he was employed by the Pennsylvania railroad as station clerk, telegraph operator, station agent and division agent and while he was in the wholesale and retail mercantile business.

He started with Aetna Fire as Indiana special agent in 1916 and two years later was transferred to Michigan as state agent. His next move in 1924 was to the western department as assistant general agent, later assistant manager and in 1927 manager. He has served as manager for a longer period than any previous head of the western department. In addition to serving as president of W.U.A., he is a past president of Farm Underwriters Association, Western Hail & Adjustment, Railway Underwriters, Underwriters Service, Oil

Seek Agents' Aid on Crop Program

WASHINGTON—In working out its crop insurance program for 1946, Federal Crop Insurance Corporation officials have been consulting with company men and agents. Following a meeting with representatives of Hartford Fire and others, J. O. Cobb, formerly a director of FCIC and now insurance consultant to its manager, called a conference here recently of agents, mostly representing the National Association of Insurance Agents.

Present, according to report, were Guy Warfield, Baltimore, chairman of the agents committee, and vice-president of N.A.I.A.; Oscar West, its Washington representative; Sidney Smith, Gainesville, Ga.; Frank S. Wilkinson, Rocky Mount, N. C.; J. V. Arthur, Winchester, Va.; Bradford Strom, Jackson, Minn., and Gale C. Morgan, representing the Stock Company Association, who attended as an observer.

Officials discussed the crop insurance program with them to get their reaction as to the different methods used. Agents' advice and recommendations were sought. A report was expected from them. Besides conferring with FCIC officials, the group saw Secretary of Agriculture Anderson, himself an insurance man.

Brosmith Leaves Travelers for Private Law Practice

Allen E. Brosmith, attorney in the legal department of Travelers, has resigned to become associated with the Hartford law firm of Harrison, Sage & Phelon. He graduated at New York law school and went with the New York office of Travelers as a trial lawyer. He has been at the head office since 1919. His father was William Brosmith, who was vice-president and general counsel of Travelers.

Association and Uniform Printing & Supply Co. He has also been a director of Underwriters Salvage Co. of Chicago, Chicago Board and director-trustee of Underwriters Laboratories. He served as chairman of the supervisory committee of the Rocky Mountain Fire Underwriters Association for a longer period than any previous chairman.

He served as president of W.U.A. from April, 1942, to September, 1945.

Mr. Achenbach is giving up his Chicago residence and will spend at least six months of the year at his place at Petoskey.

About 120 attended the dinner Tuesday evening for Mr. Achenbach during the W.U.A. convention. J. C. Harding, executive vice-president of Springfield F. & M., was the toastmaster. S. M. Buck, vice-president Great American, in behalf of the assemblage, presented Mr. Achenbach with a wristwatch and C. F. Thomas, W.U.A. manager, presented a testimonial booklet signed by all those present.

Mr. Vernor gave much the same characterization of the honor guest as he had given at the previous dinner. C. W. Ohlsen, Sun, spoke as president of the W.U.A. Others introduced were Insurance Director Parkinson of Illinois, Peter Berry, president of Security of New Haven and president of E.U.A.; Clinton Allen, and Walter D. Williams, Rockford, Ill., former president of Security.

A. & H. Course in St. Louis

ST. LOUIS—Thirty-one students are taking the accident and health course of the Insurance Board of St. Louis, which opened April 22 to run through May 31. Instructors are G. F. Stevens, assistant manager Travelers, and C. E. Hovey, manager, Massachusetts Indemnity.

Collier's Survey of Insurance Shows Interesting Facts

A survey made by Collier's magazine assisted by the Institute of Life Insurance and the National Board of Fire Underwriters has revealed a number of interesting facts on savings and insurance.

Fire insurance is carried on 95% of homes and 80% of those questioned carry fire on contents. Only 20% carry burglary insurance and only 42% of those with incomes of over \$5,000 have this cover.

Of those with burglary and/or fire, only 25% knew the name of their carrier.

Eighty-six percent carry some auto insurance, 77% having personal liability, 76% property damage, 71% fire and theft and 45% collision.

Confusion as to the difference between collision and property damage was revealed when many wrote on their questionnaires that they believed the two to be similar. Collier's estimates the 45% collision ownership is exaggerated. Less than 33% of automobile assured know the name of their carrier.

Form of Survey

The survey was in the form of a mail questionnaire sent to 2,000 male Colliers' readers throughout the country. Letters were sent under the assumed name of A. G. Fry & Associates to avoid bias or prejudice and were apportioned by individual states and city size groups in accordance with Collier's circulation pattern, which is 85% urban. The survey was based on returns of 913 persons or 45% of total mailing. It was sent only to males and reached income groups by percentages as follows: Under \$2,000, 12%; \$2,000-3,000, 28%; \$3,000-5,000, 34%; \$5,000-10,000, 18%; over \$10,000, 8%.

Great American Texas Change

M. G. Jarreau, Texas state agent of Great American, has retired from active duty. He has been with the group 30 years.

Arthur F. Meren, formerly special agent, becomes the state agent.

Heart of America Pond Elects New Officers

KANSAS CITY—Heart of America pond of the Blue Goose elected the following officers: Most loyal gander, C. L. Tindall, Firemen's; supervisor, Lloyd Barber, Underwriters Adjusting; custodian, John Crawford, Crum & Forster; Guardian, C. L. Day, North British; keeper, G. C. Bredberg, Western Adjustment; welder, Willard Brown, Missouri Audit Bureau. A cocktail hour and dinner followed the meeting. A. B. Young, Hartford Fire, and Mr. Tindall were elected delegates to the grand nest in New York in August.

J. W. Watson, Western Adjustment; A. L. Anderson, Western Adjustment; J. M. Tinklepaugh, Western Adjustment, and W. E. Kirke, Underwriters Adjusting, were initiated. A spring dance will be held May 17 at Blue Hills Country Club.

\$300,000 St. Louis Paint Fire

ST. LOUIS—Fire of undetermined origin destroyed the two-story brick building of the Cook Paint and Varnish Company's division offices and warehouse at 4440 Manchester avenue, causing total damage estimated at \$300,000.

It was estimated that from 50,000 to 75,000 gallons of paints were destroyed and damage to contents, fixtures and stock would aggregate \$200,000, with \$100,000 damage to the building.

The fire apparently originated near the center of the building, which was undergoing an \$80,000 remodeling program.

NEWS OF FIELD MEN

Hartford Makes Changes in West

Elmer C. Wise, who has been special agent for Hartford Fire in northwestern Ohio with headquarters at Toledo, has been transferred to Chicago western department, where he will assist Superintendent Sidney G. Behlmer in handling special hazard risks. Mr. Wise was formerly with the Ohio Inspection Bureau and has been with Hartford three years.

Michael Schweih, who was formerly special agent in northwestern Ohio before entering the armed service, has now returned and is being assigned to special agency work in his old field.

William J. McCarren, who prior to entering the armed forces was special agent in Colorado, has now returned and has been assigned to loss adjustment work with headquarters at Peoria, Ill.

Irving E. Artes, who joined Hartford in 1937 and worked in the office until he entered the armed service in 1941, is being assigned to special agency work, assisting Special Agent Dwight F. Lewis in eastern Tennessee with headquarters at Knoxville.

X. Robert Royster, Jr., who was special agent for Citizens in northern Illinois prior to entering service, has now returned and is going back into his old field as special agent with headquarters at Ottawa.

Fulton Now Operating in Tenn. on Direct Basis

Fulton Fire has retired from the general agency of Robertson & Nichols, Nashville, Tenn., and will operate in that state on a direct basis. The territory will be under the supervision of State Agent H. W. Robertson and Spe-

cial Agent R. H. Cowan, with offices at 1025 Stahlman building, Nashville.

Conn. Field Club Meets May 6

The Connecticut Field Club will meet May 6 at Ludlow Country Club, Ludlow, Mass. There will be golf in the afternoon. Springfield members will be the hosts at a fellowship hour and then there will be dinner followed by the meeting and election of officers.

Clark Indiana Special Agent

L. H. Clark has been appointed special agent by Republic Fire of Dallas to travel in Indiana. He will maintain headquarters in the Chicago branch. Mr. Clark formerly for 18 years was a special agent of Glens Falls in metropolitan Chicago and northern Indiana, and then for 1½ years was in the navy.

To Inspect Dickinson, N. D.

The North Dakota Fire Prevention Association will inspect Dickinson May 8-9. Sanford Herberg, fire defense engineer of Minneapolis, and Emmett Cox of the Western Actuarial Bureau, Chicago, will take part.

Ohio Inspection Schedule

The Fire Prevention Association of Ohio has postponed indefinitely the town inspection which was to have been held at Minerva, O., May 2. The association will inspect Wilmington April 25 and Urbana May 2.

Ill. Pond Golf Plans

The officers and executive committee of the Illinois Blue Goose at a meeting Monday, decided to hold the annual meeting in conjunction with a golf outing June 25. A place was not selected but the possibility was suggested that some local agents association in the general neighborhood of Chicago may be holding a golf outing at that time and would like to make it a joint event with the Blue Goose.

Chapman Georgia Special Agent

Frank W. Chapman has been appointed special agent in northern Georgia for Fireman's Fund. Lewis H. Swann, who for several years has served the entire state, will now give his full attention to south Georgia.

Mr. Chapman is a graduate of Georgia School of Technology and spent two years with the Southeastern Underwriters Association. He then entered the navy and has recently returned with the rank of lieutenant after four years, largely spent overseas.

Ohio F. U. A. Meets May 7

The Ohio Fire Underwriters Association will meet May 7 in Columbus.

Preston and Trotter Named

Frank H. Preston, staff adjuster, has been named special agent by America Fore in Los Angeles, succeeding Charles C. Mills, resigned. H. R. Trotter succeeds Mr. Preston as staff adjuster.

Ballin Ore. Special of Home

H. A. Ballin, Jr., has been appointed special agent of Home in Portland, Ore., working with Keith Rhodes, state agent. Mr. Ballin has been in the Portland office for two years, training for the position. Bruce Beardsley, who re-

Brothers Join Travelers

Both sons of Vice-president R. D. Safford of Travelers Fire have entered the service of Travelers. The older son becomes a field assistant, having taken the Travelers' training course which has fitted him for supervisory work. The younger son has joined the group life department and is preparing to do service work.

cently returned from service, will continue his former work as special agent.

Wash. Attorney General to Speak

Smith Troy, attorney general of Washington, will speak at the May 31 dinner meeting of the Seattle Blue Goose.

The pond will hold its annual golf tournament June 28.

Philip L. Johnson, American, secretary of the Fire Prevention Association of Ohio, spoke before the Licking Coun-

ty Volunteer Firemen's Association at Alexandria, O. About 100 were present. He showed films obtained from the National Board.

The Missouri Fire Prevention Association will inspect Kirksville May 22-23.

Fire Association Drama

The Faefay Players, Fire Association employees group, are giving a play and dance the evening of May 8 at Fleisher auditorium, Philadelphia. The play is a three act comedy "Ring Around Elizabeth."



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CHICAGO

American's First Century in Business

(CONTINUED FROM PAGE 9)

KERWIN COMPLETES 50 YEARS

R. M. Kerwin, well known Chicago adjuster, completed 50 years of continuous adjusting service May 3.

He started his adjusting career in the office of David S. Wagner, Chicago independent adjuster, in 1896. In 1910 he took charge of the loss adjusting in the western department of Firemen's, which post he resigned in 1912 to become a staff adjuster for Wagner & Glidden.

In 1916, Mr. Kerwin established his own independent adjusting office in the Insurance Exchange building. In 1920 he was appointed general adjuster for the old Marquette National of Chicago and at the same time continued to operate as an independent adjuster.

His son, David, became associated with him in 1928 and in 1934 became a partner in the firm of R. M. Kerwin & Son. David S. Kerwin studied law and was admitted to the bar in 1936. He formed a law partnership with Stephen L. Ruff, operating as Kerwin & Ruff, specializing in insurance litigation. Mr. Ruff is also a member of the adjusting firm. The adjusting office and the legal firm conduct their business from offices at 166 West Jackson Boulevard.

O. P. ALFORD AGENCY MOVES

O. P. Alford & Co., class 1 agents in Chicago, have moved to new offices in the Field building, 135 South La Salle street. The agency for more than 20 years was located in the Insurance Exchange building. Members of the firm are O. P. Alford and Alex Teven.

INSPECTION BUREAU HONORS LUCAS

N. J. Lucas, veteran inspector of the Cook County Inspection Bureau, was honored last week on his 40th anniversary with the organization. He started in 1906 as a clerk and worked up quickly to inspector, in which work he is recognized as one of the best in his field.

Manager E. F. Reske was host at a dinner at the Union League Club for Mr. Lucas and nine other employees of 25 years service or more. Employees of the bureau presented him with a merchandise certificate for photographic equipment, his hobby, and the bureau gave a substantial cash present.

File New Rates in Virginia

RICHMOND—The new commercial car manual already in effect in 44 states has been filed with the Virginia corporation commission. A. E. Spottke, automobile manager of the National Bureau of Casualty & Surety underwriters, testified that the separate classification for vehicles customarily used beyond a 50-mile radius is sought because trucks operating beyond this distance constitute more hazardous operations than short-trip vehicles.

story is that Mr. Bush negotiated the sale and was on his way back to Greensboro when he stopped off in Newark to tell his old friend, Mr. Bailey, about the transaction. Mr. Bailey expressed surprise and said that the American would have been willing to buy if it had known the company was up for sale. At this point in the conversation, a long distance telephone call came in for Mr. Bush stating that the company that had decided to buy the Dixie thought the price on the home office building was too high. Mr. Bush called the entire transaction off and turning to Mr. Bailey remarked: "You may not realize it, but you have just bought the Dixie." The deal was immediately closed. The president of the original purchasing company phoned in a few minutes and said his board had authorized him to go ahead with the transaction on the original basis. Mr. Bush answered that the Dixie had just been sold.

Bankers Indemnity

In 1927 a connection was established between Bankers Indemnity of Newark and American when Mr. Falls was elected to the board of directors of the casualty company. In 1929 American purchased the company and made it a casualty affiliate. Its management was strengthened. Harold P. Jackson became president and Mr. Bailey chairman. Mr. Jackson had been in the insurance business since 1910 with American Fidelity, New England Casualty and Hartford Accident.

The year 1929 marked the group's transition from manual to machine book-keeping, which served to hold down the expense ratio and make possible the highly scientific control which the company maintained over its underwriting. The National Board has reduced its classification of risks to 100, but American still maintains records on the basis of 169 different classifications in each of which a continuous five-year record of its experience is kept up to date. This has enabled American to establish and maintain a highly stable underwriting policy and yet one that is sufficiently flexible to allow for constructive consideration of many new types of risks.

American built a three-story addition to its head office building on Park Place, but this proved inadequate and in the late twenties the group drew plans for the home office building on Washington avenue. It was completed and occupied in 1930.

C. W. Bailey was elected president of the National Board in 1931 so that during the worst depression years he had the problems not only of his own company to deal with but some of the problems of the entire industry. He rode out the storm like a seasoned mariner.

In 1932 American decided to follow the conservative course and recognized the decline in security values by reducing the book value of its capital by

50%, to \$3,343,740, where it remains. On the basis of today's prices, this provides a very substantial surplus to policyholders in addition to statutory reserves on unearned premiums and losses.

In 1932, at the lowest point in the economic cycle, American deliberately looked around to see how it could take advantage of prevailing conditions to improve its own business position and at the same time relieve some of the distress afflicting the fire business as a whole. It undertook the reinsurance of several companies. Not one of these operations failed to result in an eventual underwriting profit, and there were important and profitable additions to the agency plant. Much of the credit of the success of the transactions must go to the men who actually engineered them, Paul B. Sommers and Laurence E. Falls. However, credit for the general policy of going forward in spite of conditions rested with President Bailey. In these years also Mr. Bailey initiated the creation of the New England, the metropolitan and suburban New York, Rocky Mountain and Pacific Coast departments, which have done much to strengthen the company in the field.

In 1933 the American pension and compulsory retirement plan was adopted. Mr. Bailey was conscious of a tendency in the insurance business to allow otherwise successful and progressive companies to slow down and lose their initiative to the super-annuation of top executives. He also recognized the discouragement to younger men in the business faced with an apparently insuperable obstacle to advancement in the persons of senior officers, who showed no inclination to relinquish the reins of administration. Company employees are provided an adequate retirement income, and must retire from active service at 65, whatever their rank. Two years later Mr. Bailey retired as president and Mr. Sommers was elected. He continued as chairman until 1940, which marked the 70th year of his association with the company, something of a record.

Mr. Bailey's influence established a tradition of integrity and fair dealing, and he built an organization capable of keeping pace with economic changes. "Keep your ears open and your mind too," Mr. Bailey once stated. "Then make your decision for the good of the business."

Mr. Sommers, American's eighth president, was an ideal counterpoise to Mr. Bailey, for while the latter was inclined to carry on his administrative duties primarily from his own office, Mr. Sommers believed in getting out into the field to establish personal contact with the company's field force and learn the problems of the business at first hand.

As superintendent of agencies, Mr. Sommers at one time actually called upon every agent of the company in the eastern territory that had given the American \$500 or more in annual premium income. He has urged this practice on his associates. He is pre-eminently an agency man. His personal experience throughout his career has given him an intimate knowledge of agency problems and a sympathy for the agency viewpoint.

In addition he has insisted upon a modern public relations viewpoint, which consists of an awareness and an acceptance of the fact that no large corporation today exists in a vacuum where in the company may operate without regard for the interests and sensibilities of others. It recognizes the responsibility of the corporation to its own customers, the public at large, to absentee stockholders, to employees, to sales representatives, to local communities in which the company is operating, and the government, both state and federal, and finally for intelligent cooperation with other similar enterprises in the same industry. In 1937 he was elected president of the National Board.

From 1941 to 1944 premium income of the group rose from \$24,245,000 to

\$31,214,000, an increase of more than 28%, but during the same period despite all efforts, the operating staff actually declined from 1,228 to 1,168. Part of the increase in premium income in 1944 was due to reinsurance of the business of Eagle Star's United States branch. This increased the group's reserves for unearned premiums by nearly \$2,700,000. In the same year, American wrote an increased volume of more than \$2,400,000 in premiums from normal sources.

Characteristic of both Mr. Sommers and the company is his "open door" policy. He is personally available at all times. The door to his private office is never closed. The same policy applies to every officer in the organization. This friendly atmosphere has been established firmly as American starts on its second 100 years in a position stronger financially than ever before. The attitude of the management is that the business should be handled intelligently and constructively, the institution should be fair and have integrity, and there should be a lot of hard, creative work but not high pressure salesmanship or tactics. It is still predominantly a fire insurance company. American itself has risen from 12th to 7th place among stock fire companies for net premium income.

WANT ADS

WANTED—BY ESTABLISHED GENERAL AGENCY

Experienced Fire Underwriter and producer with working knowledge of standard inland marine classes. Illinois and Midwest territory. Offers a satisfactory present and an excellent future to a man with ambition, intelligence and initiative. Give full particulars in confidence, preparatory to interview. Write F-62, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

STATE AGENT WANTED

Large southwest General Agency desires Louisiana State Agent. An excellent opportunity for capable man. Replies treated confidentially. Address F-76, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Long established Service Organization requires competent general insurance Analyst. Must be familiar with property and casualty coverage and willing to travel. Permanent position and attractive remuneration. Submit age, experience, education and credentials in confidence. Address F-81, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED TO BUY

Established Fire and Casualty Agency. Location not important. Address in confidence. Box F-83, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

We have several good territories open for special agents experienced in fire and casualty insurance. Good salary, car furnished and expenses paid. These are permanent positions for men who can produce. Address F-86, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

FIRE ENGINEER WANTED

By established Chicago supervising agency. Permanent position. Replies kept confidential. Write F-91, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED LOCAL INSURANCE AGENCY

Experienced insurance man desires to buy a general insurance agency in Kalamazoo, Michigan. Will consider a partnership. Address F-93, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Wanted:

INSURANCE APPRAISAL ENGINEER

Large national distributor has opening in Insurance Department for an experienced Insurance Appraisal Engineer. Must be familiar with Marshall & Stevens Valuation Service and be qualified to handle appraisal of plants and buildings throughout the country. Salary is open and will be higher than the going rate. Prefer man under 45 with broad practical experience. Position is permanent and offers attractive opportunity to man with superior qualifications. Reply in confidence, giving age, education, and full details of experience. Write Box F-28, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

Aviation Insurance to Be Regular Part of Salesmen's Kit

"Insurance men, whether they like it or not, are going to be forced into selling aviation insurance," W. H. Rodda, secretary Mutual Aircraft Conference, said at the Ohio Association of Mutual Insurance Agents at Akron recently. "There are probably 40,000 civilian airplanes in the United States today and of this estimated amount not over 25% have any hull insurance."



W. H. Rodda

To develop this business, Mr. Rodda said, "you should get acquainted with the airport operator in your neighborhood and with the present owners of airplanes. In your contacts with the owners of airplanes you will frequently be told that aviation insurance rates are too high. It is our conviction that the experience will improve as the spread of coverage becomes broader and a larger proportion of aircraft owners are insured. As the loss record improves, the rates will be lowered and more people will buy insurance."

Rating Information

Basic information which companies must have before making quotations are, he said: Make, model and year manufactured; list and cost price; is plane new or used; its horsepower; pilot's name and class of license; specific use of plane; type of insurance wanted; and coverage desired on the plane, and if the insured is willing to pay for coverage while the plane is in flight."

Mr. Rodda pointed out that aviation insurance must be sold by a "low-pressure" technique by men who make it their business to become acquainted with aviation terms and the situation at the local airport.

The need for insurance protection against personal liability losses and loss for damage done as a result of flying operations is far greater for an airplane owner than that of the automobile owner, Mr. Rodda maintained. He said that insurance agents should emphasize the substantial financial loss that would occur as a result of plane collisions and ought to sell aviation insurance. Since the majority of insurance agents are not aggressively soliciting this business, most of them do not know how to proceed in obtaining necessary underwriting information when a prospect inquires about it, asserted Mr. Rodda.

Hardage Made Special Agent

R. L. Hardage, recently discharged from the service, has been named special agent for Netherlands in Georgia and for Caledonian-American in South Carolina and Alabama. He recently completed a home office reorientation course at Caledonian-American and will make his headquarters at Macon, Ga.

McCormack Calls for Action at Portland Meeting

J. M. McCormack of Tennessee, as president of the National Association of Insurance Commissioners, has addressed the members urging them to be fully prepared to act on all matters at the forthcoming Portland convention. He said that this will be a time to make decisions and he doesn't want to hear any reports in which action is deferred or a sub-committee is appointed to study the matter further and report at the next meeting or that "progress" is being made. He said the practice of appointing sub-committees should be discouraged inasmuch as the full committees are nothing but sub-committees of the association as a whole.

Mr. McCormack asked committees to report to him the names of any commissioners that are indifferent in their attitude and Mr. McCormack said he will make new appointments. Also he declared, commissioners should discourage unfounded criticism of state supervision at committee meetings. "The practice of using the commissioners' meeting as a springboard for a group of crackpot criticisms of state supervision should be challenged." The privilege of the floor at any committee meeting should only be granted to commissioners and authorized representatives of insurance departments and to other persons who have proper business to present in a proper and courteous manner. . . . The privilege of the floor should not be abused by any person."

Mr. McCormack declared that the work of some committees such as the executive committee and that on federal legislation has been over-emphasized. Other committees are equally as important. The members should religiously attend the meetings of the committees to which they belong or send a deputy or other representative.

He urges members of committees to get in touch with the chairman and insist that committee meetings be held, preferably a few days prior to the Portland meeting.

Industrial and Hamilton Name Three Officers

Industrial Insurance Co. and Hamilton Fire have appointed E. H. Magnuson assistant secretary and superintendent of claims, Charles A. Siedel assistant treasurer and David C. Thomas assistant secretary.

Mr. Magnuson has been superintendent of first party claims for Continental Casualty and branch office claim manager for first and third party claims for the past five years. Previously he was with other insurers in the midwest in the claims department.

Mr. Siedel for 20 years has been with various companies in an accounting and executive capacity. He was successively cashier and accountant with Standard Marine and secretary and director of Stuyvesant.

Mr. Thomas has been in fire insurance for 48 years. He was formerly chief examiner of National Union, manager of the Pittsburgh service office, and secretary at the home office of National Liberty and vice-president of American Colony. In 1943 he joined H. C. Hill & Co., general agents at Williamsport, Pa., and then was with National Fire & Marine at New York.

Group Plan for Md. Auto Men

BALTIMORE—Group life, health and accident insurance for the Automobile Trade Association of Maryland is being written by Sun Life of Canada and Zurich. The cost is equally divided between the employer and employees. The response to the plan, which is now in effect, has been good, J. C. Darrell, manager of the Maryland association, said.

Mass. Agents Slated for May 20-21 at Worcester

The Massachusetts Association of Insurance Agents will hold its annual meeting in Worcester Oct. 21-22.

Leeman with Loyalty Group

Wilson W. Leeman, who has been with Travelers in Milwaukee as a casualty underwriter and also doing special agency work in the territory, has re-

signed and been appointed special agent by Commercial Casualty and Metropolitan Casualty in that area. He also will do special agency work for Keystone Underwriters of the Loyalty group. He will travel only outside Milwaukee county, which is serviced by the Milwaukee branch office of the Loyalty group. Mr. Leeman before joining Travelers was with Northwestern National Fire for a time in special agency work in Milwaukee and then with Northwestern National Casualty in the same duties.

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EDITORIAL COMMENT

Stone's Successor and State Regulation

The choice of a man to fill the vacancy on the U. S. Supreme Court caused by the death of Chief Justice Stone is of vital importance to the future of the state regulation of insurance. He may well be the deciding factor in cases that will come before the high court as a result of public law 15 and other legislation, both state and federal, growing out of the Southeastern Underwriters Association decision.

Essentially the S.E.U.A. case involved the question whether insurance should be regulated by the federal government or by the states. Appointment of a justice who favors extending still further the rule of the federal government would tip the scales even more heavily in the direction of federal regulation of insurance, for Chief Justice Stone was the principal spokesman of the dissenters in the S.E.U.A. case. It would give the proponents of a stronger federal government a majority of the entire court instead of merely a majority of the seven members who participated in the S.E.U.A. case.

On the other hand, if the new appointee should lean strongly towards states' rights and share the fear that many have of an all-powerful central government there would at least be reason to hope that state regulation would receive the sympathy of a majority of the court.

The views of the Supreme Court members are of vital importance to the future of state regulation no matter what legis-

lation Congress and the states may enact. If a majority of the court is bent on extending the jurisdiction of the federal government it will be very difficult to keep that from happening even though Congress may wish to leave things as they are. It is obvious from public law 15 that Congress is disposed to leave the regulation of the insurance business in the states' hands. Yet it is equally clear that because the Supreme Court had said that the insurance business is commerce Congress could not undo that decision and bring back the status quo.

We can only hope that the new Supreme Court justice will not be so enchanted with the idea of federal control of practically everything that he will feel it necessary to push the states out of the insurance regulatory picture. We hope that he will be a man who realizes that there are some things that the states can do better than the federal government, particularly when they have the advantage of so many years of experience. And finally, whether he favors states' rights or centralization of power in the federal government, we hope that the new justice realizes that legislating is the province of Congress, not of the courts and, as Justice Jackson expressed it in his dissenting opinion in the S.E.U.A. case, "The orderly way to nationalize insurance supervision, if it be desirable, is not by court action but by legislation. . . . This is the method of responsible democratic government."

The 1946 Insurance Rush

As if a signal had been given, commencing Jan. 1 all forms of insurance virtually leaped ahead and life, fire and casualty men today are totting up first quarter results unbelievably. Life insurance sales were some 50% ahead for the first three months, fire insurance company premiums are up a full 30% and casualty is correspondingly buoyant.

Where is it coming from and how long can it last are the questions on every insurance man's tongue these days. What is happening comes close to being a spectacle and phenomenon. It is a golden day for insurance salesmen, albeit the diet is almost more than the insurers can stomach what with unmarried policywriters going off to get married and the married clerks departing for a try at domesticity.

The strangest circumstance is that the mighty upsurge struck right after New Year's and it was some weeks before individual company men and agents dis-

covered that their experience was not exceptional but that there were nylon queues at the counters of all insurance offices.

It is a disquieting sort of prosperity to many. Salesmen like to rake it in, but the high spirited salesman relishes the encounter and is all but disappointed when the prospect says "yes" before the sales talk is well under way. Those with sales managerial responsibilities are at a loss how to make plans. For instance, a large life insurance general agent bulged out of his office with the first quarter activity and managed to get additional space. His overhead went up and then the production of his force fell off for a week. He was nervous, fearing that he had been too impetuous in expansion. The next week, however, the sales went up again and he feels better now.

Some of the life company executives take a somewhat dim view of it all, in

view of the fact that in the same period that sales were increasing 50% the government bond yield was dropping .4 points. Those insurers that have rate revisions in the mill regret that they didn't get their new manuals out sooner.

Fire insurance men take much comfort in the increase. The fire losses during each of the last four months reached a new all-time high level and what is needed is insuring closer to value to get the income in supportable relationship to outgo. And that is taking place with almost a vengeance. The increase in automobile premiums is not so welcome because every new dollar of auto premium threatens to turn into well over a dollar of outgo, but the rates have been jacked up and the insurers are philosophical about it.

Accident and health sales continue to skyrocket. One A. & H. specialty company that pays a high first year commission and a nominal renewal has rationed its agents in their production, either they must hold their sales to a maximum quota or they must agree to defer their commissions for five years. The sales pace, unchecked, would tax surplus too severely.

The phenomenon, of course, is a mighty testimonial to insurance. It shows that the public is thoroughly sensitive to the importance of protecting

its values—life values, income, property values. Perhaps the shortages coupled with inflation have caused people to realize how precious are the things that they possess and that can, at best, be replaced only at a far steeper cost than their original investment and have caused men to appreciate how vital to their families is the continuation of their income. They have the wherewithal to buy the protection and yet it is the fact that they are so well heeled that is putting such a premium on goods and services of all kinds and that necessitates increased insurance.

Men see that their families can't have the kind of living that they envisioned for them on their life insurance of say five years ago, having the money to improve the situation and automatically thinking of insurance as the solution, they buy with little or no prompting.

Likewise when a property owner is brought up short with the realization that his present insurance would provide him not much more than a Quonset hut it doesn't require the chloroform treatment to get him to adjust his coverage.

Third party liability limits are also easily increased as insured realize the effect of inflationary pressure on verdicts, such as for instance the judgment for \$165,000 obtained by an injured employee. This year may long be remembered as the 1946 insurance rush.

PERSONAL SIDE OF THE BUSINESS

Joseph E. Magnus, president of James S. Kemper & Co., Chicago, has been elected a director of Chicago Boys Clubs, Inc., largest boys club in the country. He will take an active part in the Chicago Boys Clubs fund drive for \$500,000 beginning in May.

Walter D. Williams, Rockford, Ill., former western manager and later president of Security of New Haven, is one of the most ardent Chicago Cubs fans. He runs over to Chicago to attend the games when the weather is suitable. Last week he started the season by watching the Cubs play. Last year he attended some 60 odd regular games and also took in the world series.

George W. Carter, president Detroit Insurance Agency and past president of the Michigan and Detroit agents' associations, was reelected second vice-president of the Detroit Board of Commerce at its annual meeting.

Clinton L. Allen, the new western manager of Aetna Fire, and Beatrice Goodrich of Hartford were married at the Presbyterian Church at Wilmette, Ill., Saturday afternoon.

Three churches in Columbia, Ill., profited when **Fred Rapp**, who was mayor of Columbia for 30 years, and his wife celebrated their 50th wedding anniversary. They made the gifts "in thanks for their many kindnesses through the last 50 years" to St. Paul's Evangelical Reformed Church, Zion Lutheran Church and Immaculate Conception Catholic Church. Mr. Rapp is

associated with his son, Walter, in a local agency there. He decided to retire as mayor a few years ago, although efforts were made to draft him for still another term.

Ludwig C. Lewis, vice-president of North America, suffered a broken arm in an automobile accident at Philadelphia Sunday. He was thus prevented from attending the annual meeting of the W.U.A. at Chicago as he had planned.

DEATHS

A. J. Lane, C. B. & Q. Victim, Had Fabled Name as Hartford Group Investigator

Albert J. Lane, chief investigator for the Hartford Fire group with headquarters at Chicago, who was one of the victims of the Burlington Railroad crash at Naperville, was a man of fabled name in the area in which he operated. He was bound for Nebraska and was apparently in the diner, which was the second car from the rear of the Advance Flyer, rammed by the Exposition Flyer. He was 56 years of age.

Mr. Lane had been with the Hartford organization since 1916 and those familiar with his work say that he had solved at least 500 major cases for the

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7-8-9 Flatiron
Bland, Pacific
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Hartford Fire, live stock and casualty companies. He had remarkable talents in his line. He had the knack of getting to the bottom of things quickly and he had an especially effective technique in procuring confessions.

George H. Moloney, now vice-president and western manager of Hartford Accident, in 1916, when he was head of the claim department at Chicago, decided to employ an investigator. He has always put a high value on this type of work. Sharing the opinion of Walter Pitkin in his latest book, that a good newspaper man is simply a good detective, Mr. Moloney concluded that he would try to get a newspaper reporter and train him for insurance investigating work. Mr. Lane answered an advertisement that Mr. Moloney had put in the Chicago "Tribune," and was promptly hired. He had been a reporter on the St. Louis "Post-Dispatch" and was editor of the "Bulletin" in his home city of Cairo, Ill.

He was a success from the start. Mr. Moloney recalled that within three weeks he had solved an important case. One of his early accomplishments was to get a confession from a man who had permitted a trolley car to run over his hand so as to collect benefits under a personal accident policy. Mr. Moloney also credits him with being the first man to get moving pictures introduced before a compensation board as evidence against claim fakers. Mr. Lane had taken movies of a compensation claimant who feigned blindness.

Very soon the management of Hartford Livestock became interested in Mr. Lane and "borrowed" him to investigate such things as suspicious fires at race tracks. He dug into every assignment intelligently and had an uncommon ability to get things done with dispatch. Hartford Fire began to use him on losses, particularly in the jewelry and fine arts line and before long the home office learned of his feats and started borrowing him for work in other parts of the country.

About 15 years ago Mr. Moloney relinquished him from Hartford Accident and his headquarters since then have been in the western department of Hartford Fire under Clarence Myers, head of the legal department. Then Mr. Moloney had to "borrow" him.

Mr. Lane frequently wrote articles for the Hartford "Agent" and ironically, about a year ago, he wrote a description of a train wreck that was strikingly parallel to the one in which he lost his life. This concerned a train that had stopped because of a hotbox and was plowed into by a following train. A hobby of his was an interest in all forms of transportation which he came by naturally as his father had been a railroader for 50 years.

John S. Skinner prominent Princeton (Ill.) agent, died at his home last week. He had been in the insurance business in Princeton continuously since 1915, except for service during the first world war. He took over the Mesenkop agency, which was founded in 1872, and built up an outstandingly successful business.

E. A. Finn, who had been western department automobile superintendent of Hartford Accident for a number of years, joined Mr. Skinner as a partner last year. Mr. Skinner had been in failing health and had been compelled to give up some of his activities in the agency.

Adolph G. Rosengarten, 76, director of Mutual Assurance, died in Philadelphia. He also was a trustee of Penn Mutual Life.

Louis M. Hall, 76, broker with the W. H. Markham & Co., St. Louis, died suddenly of heart disease. He was collector of customs in St. Louis from 1923 to 1933 when he entered the insurance business.

Charles D. Guest, local agent at Pine Bluff, Ark., since 1927, died there.

J. V. McGoodwin, 53, who operated an agency in downtown Detroit for 25 years until he sold out to Midwest Un-

derwriters two years ago, died suddenly after suffering a stroke in his office. He had been with the Detroit office of the Veterans Administration since retiring from the insurance business.

Elmer Cleveland, 64, for many years a local agent at Imlay City, Mich., died there.

Arthur A. Jordan, 49, vice-president of the Lawton-Byrne-Bruner agency, St. Louis, died there from complications following an appendectomy. He started as a map clerk for the Missouri Inspection Bureau in 1913. After army service in the first world war, he rejoined the bureau in 1919 and continued with it as an inspector and later until April 30, 1921, when he became manager of the engineering department of Lawton-Byrne-Bruner. He was taken into the firm in 1923.

Frank S. Mayer, local agent and banker at Young America, Minn., since 1900, died there.

W.U.A. Overhauls Its Machinery at Convention

(CONTINUED FROM PAGE 14)

the law to permit the new policy to be used.

The committee has become interested in a tabulator stop policy which involves a simple rearrangement of lines and spacing to adopt the policy to setting of typewriter tabulator stops. This involves elimination of horizontal guide lines and minor adjustment of some of the words on the face by shifting them from one line to another. There is an arrangement stop and four tabulator stops so as to write policies indefinitely without further horizontal alignment of the material in the machine.

Also the governing committee gave attention to the space on the third page of the policy where there appears at the top the windstorm conditions, and below which space is provided for attachment of forms and endorsements. Suggestion was made that the windstorm conditions be dropped down lower on the page so that the forms and endorsement might be pasted on top of page three.

Many states have already indicated that they would consent to making the slight rearrangements needed and the governing committee hopes to be able to give further details in a bulletin.

Address of Ohlsen

President Ohlsen in his address stated that the officers and governing committee have devoted many weeks in drafting and redrafting the outlines of permissible associated efforts, counseling with attorneys and conferring with other associations. The objective has been to set up a framework of procedure and practice, free of compulsion, benevolent in its processes and objectives, both to the public and the business, all within the framework of state and federal laws as they are presently understood to be. Associated activity is so vital that extraordinary effort has been given to the project.

The widest possible use of a standardized policy contract, general use of identical definitions of liabilities as in uniform forms and payment of no more than reasonable maximum commissions are morally sound principles and imperative if discriminations are to be avoided in the usual conduct of the business. Company organization activities are "cast into a new field, the boundaries of which have not yet been surveyed." If voluntary associated effort is worthy and desirable, then the business chance must be taken of exploring the "new domain to discover if enough of it is tillable to provide sustenance for the organization and in the process use the best care we can devise to avoid trespass."

The organization may no longer police the business morals of members by imposition and enforcement of penalties "for violations of the ethical precepts which the majority accept and act upon,

but if a member, in the conduct of the affairs of his company, finds the ethical conduct of the business as accepted by the majority to be inconsistent with his views or unacceptable in his judgment, question then will arise in the member's mind of whether he can, under such circumstances, in good faith continue his membership."

There is no guarantee that the new setup is safe from criticism or attack by federal authority, but it does represent a consolidated judgment based upon all the information and advice that could be commanded.

The public relations committee stated that field club activity in this direction is to be revitalized now that the field staffs have been restored following the war. Representatives of the W.U.A. public relations committee had a gathering in New York just recently with representatives from other regional bodies and with the public relations committee of the National Board.

Need Full Time Man

It was decided there that each regional organization should affirm its conviction of the importance of field clubs, the welfare of the business and its confidence in their importance in carrying forward the national board program. Also that the success of such a program will depend upon the interest, encouragement and sustained support of company executives. The closest possible liaison must be established between each regional organization and its field clubs. There must be continuous direction, supervision and followup and there should be a full time member of the staff devoting his attention to this.

The field clubs in the west are so organized that they are ready to carry out any plans that are presented to them. The problem now is to get a staff man to carry on the work.

The message will emphasize the services rendered by stock fire companies. The National Board will get out a bulletin informational service for field men and others which has been tentatively called "Information About Your Business—What Everybody Should Know About Fire Insurance." This material will have to be supplemented by more regional data.

J. C. Harding, Springfield Fire & Marine, senior ex-president, presented the nominating committee's report.

A memorial was presented in tribute to the late A. R. Phillips, vice-president of Great American.

Fred B. Luce, former president of Providence Washington; C. F. Shallcross, retiring U. S. manager of North British & Mercantile; W. N. Achenbach, retiring western manager of Aetna Fire, and Clem E. Wheeler, retiring co-western manager of Hartford, were elected honorary members.

New members elected were C. L. Allen, vice-president of Aetna Fire, who becomes head of the western department, and P. J. Leen, assistant western manager of Firemen's Fund.

At the concluding session Wednesday morning, it was decided to proceed immediately to fashion public relations programs for the field clubs. It was recommended that there should be no departure from the rules and terms surrounding the term contract. The committee on order of business highly complimented Mr. Ohlsen's address.

Collens, Bingham Head Louisiana

(CONTINUED FROM PAGE 3)

control and audit of automobile fire, theft and collision insurance to be handled by a single bureau.

Registration was 302. With President Seymour presiding, the convention got underway on Thursday morning and the following were named to the nominating committee: R. N. Slaton, Monroe, chairman; Leonard Wise, New Orleans, and Clyde Jordan, Shreveport.

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1854

The Connecticut
Fire Insurance Company
1850

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Fire & Marine Insurance Company
PROVIDENCE, R.I.
1859

ATLANTIC FIRE INSURANCE CO.
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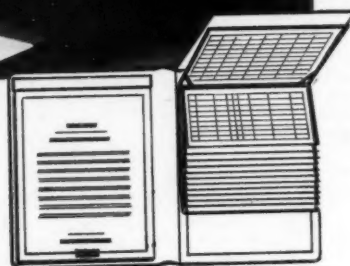
The Professional Way To Build Permanent Agency Income

With the Aetna Plan of survey selling and service, you have a tested way to become a welcome professional adviser to important commercial and individual clients. You have a sure way to increase your agency income.

In the field of "all line" insurance surveys, the Aetna Plan has been first from the start. It was first with a Visible

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All of these advantages—and more—combine to help Aetna representatives build business for their agencies.



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BUSINESS BUILDERS

Sparks Fly at Hearing on A. & H. Experience Call

N.A.I.C. Group at Chicago Hears Blast Against Zone 4 Move

Sparks flew from the swords of industry spokesmen in registering protest with the insurance commissioners' A. & H. committee at a hearing at Chicago Monday evening, against the resolution adopted by the zone 4 commissioners at Pierre, S. D., March 6-8 calling for A. & H. insurers to furnish underwriting experience for the years 1942-45 inclusive, according to type of policy. Some of the commissioners that are opposed to the zone 4 resolution also had some sharp comments.

The commissioners' committee held the hearing at the request of Harold Gordon, managing director of the Health & Accident Underwriters Conference. It was sandwiched in during two days' deliberation on other topics—the first day on revisions and additions to the policy guide and the second day on franchise definition and house confining clause.

The Monday evening session continued until after 11.

Mr. Gordon started off by stating that Commissioner Forbes of Michigan, chairman of zone 4, has sent out a request for underwriting experience by policy forms. Many companies say they haven't got such experience and can't get it, Mr. Gordon declared.

What Is the Penalty?

"What will happen to a company that can't and doesn't furnish the information? Is its license going to be revoked?" he asked.

Parkinson of Illinois, chairman of the A. & H. committee, said he recalled at a previous commissioners' meeting the question of furnishing A. & H. loss experience on a refined basis was suggested, but at that meeting no joint action was taken, as the point was made that the individual states could ask for such information if they wanted it. Cecil Fraizer, former Nebraska commissioner and now general counsel of the H. & A. conference, said, according to his recollection, this agitation was started by Minnesota.

Commissioner Kavanaugh of Colorado got into the fray, expressing indignation at the zone 4 action.

"There is a limit to what we can do in pushing the companies around," he said. "I have seen insurance commissioners come and go and fade like the mist under a June sun. We should pay more attention to building up the companies and not tearing them down. We should refrain from making trouble for them and should put this resolution on the table. There is too much of this kind of thing. I am unalterably opposed to it and Colorado will certainly not ask for it."

Calls It a "Witch Hunt"

George Goodwin of the Connecticut department said that at the zone 1 meeting at Hartford the other day, the unanimous opinion was that zone 4 had gone too far and the zone 1 group wanted nothing to do with the program and if there is any way in which they could discourage "such a witch hunt" they would be glad to do it.

(CONTINUED ON PAGE 31)

A. & H. Bureau Enunciates Position on Regulation

Treats Policy Provisions and Advertising; Claim Practices, Rates

A carefully prepared statement of the convictions of the Bureau of Personal Accident & Health Underwriters as to how their business should and should not be regulated by the states was read to the insurance commissioners' A. & H. committee during a hearing at Chicago Monday evening.

The problem of regulation is treated in respect of policy provisions and advertising, claim practices and rates.

The statement was read by Paul H. Rogers, assistant secretary of Aetna Life. It was written mainly by Berkeley Cox, counsel of Aetna Life, in harmony with the consensus of the bureau committee.

The hearing Monday evening was called by the commissioners' committee to hear the protest of the industry against the resolution adopted in March by the zone 4 commissioners calling upon the insurers to furnish underwriting experience for the years 1942-45 inclusive by policy types. While the statement read by Mr. Rogers did not touch on that subject specifically and did cover a number of other subjects it was pertinent as setting forth the general considerations that cause the industry to rebel at such proposals as that of the zone 4 group.

The statement is given herewith:

Accident and health insurance is written in the United States by several hundred insurance companies. Many are small companies operating in one state or a few states; others are larger and operate country-wide. A great many of these insurers write only accident and health insurance. Others are life insurance companies which offer accident and health policies as well as life insurance policies. Still others are companies writing a general casualty insurance business which have accident and health insurance departments. In addition to the coverages offered by insurance companies, insurance in this field is furnished by non-profit hospital associations, employees benefit associations, fraternal societies and other organizations. The insurance companies compete not only with each other, but also with these other organizations. Accident and health insurance is probably the most highly competitive branch of the insurance business.

A very substantial portion of the total population of the country now has some form of insurance against the hazards of accident or sickness or both. The growth of this insurance in the last decade or two has been phenomenal. The total premium income of all insurance companies from accident and health insurance is now about \$600 million a year. This growth is continuing and a continually larger proportion of the total population is being insured.

Variety of Protection

The growth in the volume of the business has been accompanied, and largely caused, by a marked development of new coverages, policies and methods. There is a wide range of individual policies falling generally within three main classes, called in the terminology of the business commercial, industrial and non-cancellable. These poli-



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cies provide insurance in varying combinations against death and dismemberment due to accident, disability due to accident or sickness or both, hospital and other medical expense. There are special automobile accident policies, policies insuring only against aviation hazards, and accident ticket policies sold for as little as twenty-five cents to provide one day's insurance. Policies insuring families are a comparatively recent development to meet a public demand for such coverage. These necessarily require individual underwriting and should be classed with individual policies.

There has been a great growth in the field of group accident and health insurance, for the most part issued to employers to provide income to employees while disabled, or hospital, medical and surgical benefits for employees or for employees and their dependents. Group or blanket policies are also available to labor unions insuring their members, to schools and summer camps insuring teachers and students, to volunteer fire companies insuring their members against death or injuries incurred in line of duty, and for other special purposes.

Initiative and Experimentation

Accident and health insurance, therefore, is a large and rapidly growing business conducted by a considerable variety of organizations, some operated for profit and others as public welfare institutions but all spurred by active competition with each other, and in the conduct of which there is still a great deal of trial and error, of initiative and experimentation. There is no single pattern of forms or coverages, there are no rating bureaus, and for the most part each insurer determines on its own initiative what it will offer and what it will charge for its policies. The problem of regulation of such a business is not one of eliminating restraints of trade or monopolies. The problem, as we see it, is to determine what abuses exist in the business and to try to correct those abuses without stifling the initiative, invention and competition which make the business responsive to public needs and desires. It is not primarily a problem of rate regulation, and it comes within the orbit of "state v. federal regulation" because of the federal trade commission act rather than the Sherman act.

Three Phases of Regulation

The problem of regulation of accident and health insurance may become clearer if it is considered under three headings: (1) the provisions of contracts and the description of such provisions in advertising material, (2) claim practices, and (3) rates.

1. Policy provisions and advertising—What may be called the administrative provisions of individual accident and health policies (i.e., provisions relating to change of occupation, reinstatement, notice and proof of claim and the like) were dealt with more than 30 years ago by the state insurance commissioners and the industry in drafting a standard provisions act for accident and health insurance. This act has been adopted in 23 states, and with modifications in several others. The fact that it has served its purposes well through many years attests to the skill and knowledge of those who drafted it. Changing conditions and the test of experience have indicated that some revision of this law may be in order. The accident and health committee of the N.A.I.C. has such a revision under consideration at the present time. The proposed changes in the standard provisions themselves are not great, but it has been suggested that the revised law give the commissioner power to

(CONTINUED ON PAGE 29)

Premium Gain in Casualty Field 8.5%, Argus Chart Finds

Grand Total of Writings in 1945 Was \$2,167,393,820

By ARTHUR W. RIGGS

The aggregate premium income in 1945 of some 750 casualty and surety insurers of all classes—stock, mutual, reciprocal, hospitalization and the A. & H. departments of life companies—was \$2,167,393,820, an increase of 8.5%, according to the four page summary of the business contained in the new 176 page Argus Casualty & Surety Chart for 1946, just published by THE NATIONAL UNDERWRITER CO.

In 1944, approximately these same 750 companies wrote \$1,984,273,398. Total losses paid, including adjustment expenses for the industry as a whole, rose from \$969,690,578 in 1944 to \$1,122,118,821 last year.

The paid to written loss ratio for 1945 was 51.8 compared to 48.9 in 1944.

According to this analysis, stock companies of all kinds wrote a total of \$1,459,083,586, of which \$457,577,270 was the A. & H. total and \$359,230,527 was automobile business.

Of the \$2,167,393,820 in total 1945 premiums, \$1,176,101,371 was written by stock companies excepting exclusively A. & H. and life companies writing A. & H. This represented a gain of 6.8% from \$1,095,983,420 in 1944.

Stock auto premiums were up 7.1% from \$333,822,250 in 1944 and stock A. & H. premiums up 9.5% from \$414,276,679 the previous year.

The next largest stock classification in 1945 was workmen's compensation with \$310,111,143 in premiums, a small decrease from 1944, followed by liability (other than auto), which was \$121,281,088 in 1945 and up 8.7%.

Foreign Insurers' Record

The U. S. branches of foreign companies wrote \$108,581,171 in 1945, up 6.4% from the previous year. Mutual companies, excepting A. & H., had written premiums of \$394,828,530, an increase of 9.8% from 1944. Stock A. & H. companies wrote \$307,967,240, a decrease of 4% from the previous year while mutual A. & H. companies wrote \$94,724,295, an increase of 13.2%.

Hospitalization associations wrote \$144,727,781, up 23.3% from \$111,106,181 in 1944.

Reciprocals and Lloyds wrote \$74,639,131 in 1945 which was 10.1% more than in 1944.

Mutuals of all kinds wrote \$488,943,322, up 9.1% from \$444,833,697 in 1944. Of this \$489 million in 1945 mutual premiums, \$174,972,840 was auto business, \$169,364,083 compensation and \$110,818,717 was A. & H.

The total of losses paid by the industry in 1945 was \$1,122,118,821 of which \$619,260,799 was paid by the stock multiple line and automobile companies. This is up 8% from the \$575,904,125 these companies paid in 1944, and produced a loss ratio of 55.9 compared to 54.5 the previous year. Stock companies alone paid losses of \$203,191,739 on auto business, 16.3% more than the \$170,078,927 in 1944, with loss ratios of 56.6 and 50.9 respectively.

(CONTINUED ON PAGE 30)

Bankers Bonds Are Broadened for No Additional Premium

Bond Men Welcome the Improvements Felt Needed by the Field

NEW YORK—Important changes in bankers blanket bonds—Forms No. 2 and 24—were announced by the Surety Association of America on April 29, effective retroactive to March 1.

Many changes during the past few years led bankers blanket bond experts to believe it unwieldy to issue the existing forms with numerous riders. The new changes involve a reprinting of Forms No. 2 and 24 (No. 8 was rendered obsolete by the last rate change) and the elimination of 13 standard riders. Thirty existing riders have been amended and four new ones have been prepared.

Most Important Changes

Among the many changes in the revised and reprinted forms, bond men consider these the most significant: (1) Under the premises insuring clause B the coverage is now extended to include loss of furnishings, fixtures or equipment in any of the offices covered under the bond. This includes loss through damage by vandalism or malicious mischief. In the old forms, coverage was limited to that caused by burglary, robbery, etc. or such an attempt.

(2) Coverage applying to the redemption of U. S. savings bonds is broadened to cover any insured whether or not the institution is qualified as an authorized paying agent or subagent for the U. S. Treasury for redeeming bonds, series A to E inclusive. Included is coverage on such bonds on which signature to the request for payment was forged.

Forgery Clause Clarified

A clarification of item 3 of the insuring clause D removes any ambiguities that coverage included warehouse receipts, bills of lading or other title documents. There has been considerable discussion between banks and companies on this particular point and in many instances banks resorted to litigation because in the old form the item 3 led them to believe that coverage was provided on such instruments.

The most significant change in Form No. 2 is believed by many to be the revision of the optional misplacement rider. Bond men acquainted with the less broad Form No. 2 assert that the misplacement provided by optional rider was restrictive. Now the optional rider providing misplacement, mysterious disappearance, includes loss of subscription, conversion, redemption or deposit privileges through misplacement of property as defined in the bond. In the old form, misplacement coverage was not provided in the transit clause C, but now the new rider extends the coverage to this insuring agreement.

Changes in No. 24

Two worthwhile changes in Form No. 24 are the broadening of the definition of property to include abstracts of title, ocean marine and inland marine policies and assignments of such instruments. From recent experience, fidelity men considered it advisable to include this coverage because of the negotiability of marine policies.

Bond men familiar with the problems of Form No. 24 found "tellers shortage" losses a constant problem because such coverage was not excluded specifically.

Traffic Deaths Show \$649,000 Swindled in Three Months from Credit Companies

The post-war traffic death toll this year now is running neck and neck with the record-breaking toll of pre-war 1941, according to the National Safety Council.

In the first three months of this year 8,120 persons were killed in traffic accidents, the council reported. This is only 2% below the toll for the same period in 1941 and 44% greater than in the same period last year.

Traffic accidents took the lives of 2,670 persons in March alone, an increase of 39% over the same month last year and only 3% below the March, 1941, figure.

On the basis of the three-month toll and current seasonal trends, the council believes that 1946 is certain to bring more than 38,000 traffic deaths, unless drivers and pedestrians call a halt.

The council finds one bright spot in the otherwise gloomy traffic picture. It is the fact that May will bring the greatest united attack on traffic accidents in the nation's history. Foremost among the May activities will be:

The President's highway safety conference, called by President Truman for May 8-10 in Washington, which will bring together 1,500 public officials of national, state and city governments, and safety authorities.

A nationwide police traffic safety check to be conducted by the International Association of Chiefs of Police.

The Green Cross for Safety campaign, seeking public support for accident prevention, to be launched by the National Safety Council.

Philip W. Cadman, who retired as assistant western manager of Royal at Chicago, died at Hackensack, N. J., after a prolonged illness at the age of 85.

Mr. Cadman was born at Cincinnati and went with Phoenix of Hartford in that city. In 1883 he went with John H. Law & Bro., managers of the old central department of Royal at Cincinnati. When this department was consolidated with the western office in 1893 he went to Chicago with the Law Bro. He advanced through various positions until he became assistant manager. At the time of his retirement he moved to Citronelle, Ala.

A son, Philip B. Cadman, is connected with the education department of Royal-Liverpool.

cally in the now obsolete form; consequently, claims were made to the surety for such losses, claiming them as mysterious disappearances. A short time ago an optional rider excluding tellers shorts was offered for a reduction in premium. Now, in the new form a tellers shortage exclusion clause is included under section 1, subsection (i) which can be eliminated by rider for an additional premium.

Insuring clause C of Form 24 has been extended to cover property in the custody of any person or persons acting as messenger for the insured or for any other bank or trust company or for any public official.

Attorneys May Be Covered

An attorneys rider has been added for use with Forms No. 2 and 24. This is optional. Attorneys retained to perform legal services for the insured are construed to be employees and must be included in the personnel count for premium purposes.

It is believed these changes will remedy existing problems in the bankers bond field because of the lengthy study and effort made by the Surety Association of America in collaboration with the insurance and protective committee of the American Bankers Association.

These changes have had no effect on the rating structure.

NEW YORK—Latest developments in the Benjamin case indicated that Metropolitan Machine Shops Inc., Benjamin's manufacturing company, has been placed in receivership under Harry A. Margolis, attorney. Mr. Margolis said a review of company files did not reveal a fidelity bond on Benjamin as officer of the company.

This case may revive an interest in assigned accounts bonds which are believed not carried by the finance companies involved. Surety companies are reported planning to be especially careful, now, in underwriting this form of bond as a result of Benjamin's fraudulent activities.

NEW YORK—Insurance men here are speculating on the most sensational swindle during the past year, which was just uncovered, and wonder if the victims of the frauds carried any type of insurance. A reputation for being a clever business man and the establishment of substantial credit rating enabled William B. Benjamin to defraud credit companies out of \$649,000 during the past three months.

Gambled Every Dollar

Benjamin lost practically every cent by gambling on horse races and similar events. His first loss occurred when he bet and lost \$40,000 on the races at Miami, Fla. Subsequent to this he gambled heavily with the intention of trying to make up his first loss but was a consistent loser and resorted to fraudulent transactions to keep going.

Benjamin left a job paying over \$5,000 a year in 1942 and went to New York to make a profit in war contracts. Purchasing the Metropolitan Machine Shop, Inc., he obtained a government contract which netted him \$200,000. On the basis of this success he obtained substantial credit ratings and in August, 1943 he began using them.

Falsified "Accounts Receivable"

Benjamin represented \$30,000 worth of accounts receivable as being worth \$400,000 and put them up as collateral to the Fidelity Factors Co., a commercial discount organization, and caused them a loss of \$274,000. By assigning a war termination contract for \$70,000 to the A. B. Farquhar Co. of York, Pa., he obtained \$56,000 and then assigned the same contract to another organization and received a substantial payment for it. Benjamin cashed the government check on the contracts and failed to pay either of these two assigned contracts.

By a negotiation similar to the Fidelity Factor deal, Benjamin obtained \$219,000 from the American Business Credit Corp. of New York last March. He offered purported orders from a non-existent Chicago auto parts firm which he called the Federal Auto Parts Co. of Chicago. These invoices totaled \$2 million, according to the district attorney and were for 600,000 hydraulic bumpers.

Cheats Small Loan Companies

Benjamin also secured an additional credit from two small loan companies, the names of which the district attorney did not release. When Benjamin's creditors demanded an accounting in April, he claimed his books had burned and he could not, consequently, account for the money. Benjamin disappeared when his creditors went to the fraud bureau demanding action; however, he surrendered at the district attorney's office last week and accounted for all but \$80,000 of the money he had obtained.

Victims May Not Be Insured

It could not be determined whether or not the creditors carried any type of insurance on the deal and it is possible that they may sustain total losses. Some insurance men feel that these

H. & A. Conference Program Announced

Timely Topics to Be Featured at Annual Meeting in Cincinnati

The completed program for the annual meeting of the Health & Accident Underwriters Conference May 21-23 at the Netherland Plaza Hotel, Cincinnati, has been announced by Harold R. Gordon, managing director. Based on advance registrations, an attendance of 400 is expected.

Mayor Stewart of Cincinnati will give the address of welcome. The president's address, delivered by R. J. Wetterlund, vice-president and general counsel of Washington National, followed by the annual reports of C. C. Fraizer, general counsel, and Mr. Gordon will conclude the first morning session.

Tuesday Afternoon Card

Holgar J. Johnson, president of the Institute of Life Insurance, will lead off the afternoon session with an address on "Public Relations." Other features at that session are:

"Home Office Management," Miss G. P. Edwards, secretary Illinois Mutual Casualty.

Round Table Discussion, "Modern Group Insurance Trends," led by C. R. Cleaver, United Pacific, chairman group committee.

"California Cash Sickness Act," George W. Kemper, manager accident and health department Fireman's Fund Indemnity.

"Group Rates," George Hipp, manager group department Employers Mutual Liability.

Medical Insurance Session

Wednesday morning, May 22, will be given over to a medical insurance session:

"Program of A.M.A. for Voluntary Prepayment Medical Care Plans," Thos. A. Hendricks, secretary Council on Medical Service and Public Relations, American Medical Association, Chicago.

"Socialized Medicine," Dr. Roscoe I. Sensenich, South Bend.

Report of medical insurance committee, H. E. Curry, actuary State Farm Mutual Automobile.

The agency management session, the program for which was announced last week, will be held Wednesday afternoon, with G. A. L'Estrange, Wisconsin National Life, chairman agency management committee, presiding.

The conference banquet will be held Wednesday evening.

Thursday morning, May 23, there will be an executive session for consideration of committee reports, special topics and transaction of deferred and new business, followed by an open session for adoption of resolutions and memorials and election of officers.

creditors could have protected themselves by carrying assigned accounts bonds. Others have suggested that Benjamin may be checked by the secret service if he forged endorsements of the companies to whom he assigned the war termination contract on the government check.

Wagered Large Sums

Benjamin was a big spender—losing \$46,000 in one day at a race track. The smallest bet made was \$500, in race track parlance—"across the board." He also bet \$12,000 in this fashion losing \$36,000. Gin rummy cost him \$5,000 in one game and in the short period of two months he lost between \$300,000 and \$400,000 while his living expenses approximated \$4,000 a month.

Further details will be developed at the hearing slated for May 6 for which appearance his bail was set at \$50,000.

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Casualty Year Recorded by Argus Chart

TOTALS

Special Surplus Funds including Contingency Reserve, Security Fluctuation Reserves, etc., are included in Total Liabilities in the 1944 figures but, because of the change in the Convention Blank, are included in Surplus to Policyholders in 1945.

Net Deposit Capital of Foreign Companies (U. S. Branches) is included in Unassigned Surplus item, but not in Capital item.

ALL COMPANIES

(Stock, Mutual, Reciprocal, Lloyds, Hospitalization Associations and Accident and Health Departments of Life Companies)

	1945	1944
Assets	\$29,549,947,557	\$26,543,700,551
Surplus to policyholders	3,236,742,414	2,171,895,135
Net premiums written	2,167,393,826	1,984,273,398
Losses paid including adjusting expenses	1,122,118,821	969,690,574
Ratio of losses paid to net premiums written	51.8	48.9

STOCK COMPANIES

(American and Foreign-Direct Writing, Reinsurance, Multiple Line and Exclusively Automobile)		
Assets	\$5,007,312,986	\$4,535,551,307
Capital	208,677,488	192,384,686
Net surplus	718,050,298	638,419,018
Surplus to policyholders	1,166,902,505	830,803,704
Net premiums written	1,176,101,371	1,096,983,420
Losses paid including adjusting expenses	565,585,500	506,305,466
Ratio of losses paid to net premiums written	48.1	46.2
Premiums earned	1,108,649,762	1,059,338,044
Losses incurred including adjusting expenses	619,260,799	575,904,125
Underwriting expenses incurred excluding federal income tax	427,460,313	389,835,002
Ratio of losses incurred to premiums earned	55.9	54.4
Ratio of underwriting expenses incurred to premiums earned	38.6	36.8
Net gain from und. and profit and loss items excl. fed. inc. tax	66,575,236	92,245,962
Net gain from investments excl. fed. inc. tax	151,773,223	109,918,858
Net increase in surplus	79,631,270	74,236,232

CLASSIFICATION OF TOTAL STOCK BUSINESS

(Stock Companies and Accident and Health Departments of Legal Reserve-Life Companies)

	1945			1944		
	Net Prems. Written	Losses & Adj. Exp. Paid	%	Net Prems. Written	Losses & Adj. Exp. Paid	%
Accident	68,750,264	21,806,881	31.7	71,459,482	20,402,263	28.6
A. & H. Ind. Life and Hospitalization (not sep.)	172,020,370	66,043,822	38.4	110,958,051	30,522,065	27.5
Group A. & H.	187,597,189	138,586,088	73.9	205,057,209	150,116,387	73.2
Non-Can. A. & H.	29,209,447	12,418,207	42.5	26,801,937	14,512,751	54.1
Total A. & H.	\$ 457,577,270	\$ 238,855,008	58.6	\$ 414,276,679	\$ 215,553,466	52.0
Auto fire, theft, etc.	2,958,567	1,147,994	38.8	3,060,101	1,168,223	38.2
Auto collision	26,072,797	16,805,503	64.5	18,042,197	11,517,173	63.8
Auto liability	228,518,499	119,384,040	52.2	223,319,349	106,334,891	47.6
Auto property damage	93,823,586	62,751,696	66.9	83,441,034	48,743,930	58.4
Other auto (net sep.)	7,857,078	3,102,506	39.5	5,959,659	2,314,710	38.8
Total automobile	\$ 359,230,527	\$ 203,191,739	56.6	\$ 333,822,250	\$ 170,078,927	50.9
Boiler and machinery	10,187,789	4,268,610	41.9	17,671,143	5,195,110	29.4
Burglary	52,917,354	23,050,048	43.6	44,641,394	12,302,631	27.6
Credit	4,156,883	328,502	7.9	4,581,105	225,462	4.9
Fidelity	65,001,238	9,223,743	14.2	44,220,211	8,107,233	18.3
Glass	13,954,152	6,549,816	46.9	12,592,821	5,691,109	45.2
Liability (no auto)	121,281,088	36,214,315	29.9	110,779,258	33,359,472	30.1
Live stock	1,070,000	473,648	44.2	939,119	441,573	47.0
P. D. & coll. (not auto.)	15,003,794	3,721,241	24.8	12,897,512	3,316,651	25.5
Sprinkler leakage	903,706	263,930	29.2	1,019,437	386,474	37.9
Surety	40,660,011	5,872,903	14.4	39,241,771	8,218,656	20.9
Workmen's compensation	310,111,143	183,903,563	59.3	319,184,938	173,347,322	54.3
Miscellaneous	7,028,637	3,362,837	47.8	6,226,636	2,045,028	39.1
Grand Total	\$1,459,083,586	\$ 719,279,912	49.3	\$1,361,194,274	\$ 638,269,114	46.9

* Figure varies because of manner companies segregate items

ACCIDENT & HEALTH STOCK COMPANIES

(Including Legal Reserve Life Companies with A. & H. Departments)

	1945	1944
Assets	\$23,401,669,116	\$20,966,297,427
Surplus to policyholders	1,718,617,876	1,069,627,905
Net premiums written (A. & H.)	307,967,240	320,648,441
Benefits paid including adjusting expenses	152,216,475	161,540,987
Ratio of benefits paid to net premiums written	49.4	47.3

EXCLUSIVELY AUTOMOBILE STOCK COMPANIES

	1945	1944
Assets	\$48,685,510	\$45,618,252
Surplus to policyholders	19,747,931	15,964,249
Net premiums written	25,978,280	22,135,804
Losses paid including adjusting expenses	11,113,464	9,323,720
Ratio of losses paid to net premiums written	42.8	42.1
Premiums earned	26,007,027	21,137,381
Losses incurred including adjusting expenses	12,018,567	10,680,281
Und. exp. incl. fed. inc. tax	8,783,168	8,215,519
Ratio of losses incurred to premiums earned	58.3	50.5
Ratio of und. exp. incl. to premiums earned	42.6	38.8
Net gain from und. and profit and loss items excl. fed. inc. tax	469,328	1,998,701
Net gain from investments excl. fed. inc. tax	1,753,525	1,585,335
Net increase in surplus	813,663	1,659,623

REINSURANCE COMPANIES

	1945	1944
Assets	\$134,744,999	\$113,436,867
Surplus to policyholders	65,279,251	38,455,537
Net premiums written	37,581,599	36,710,697
Losses paid including adjusting expenses	12,254,847	11,413,627
Ratio of losses paid to net premiums written	32.6	31.0

FOREIGN COMPANIES

	1945	1944
Assets	\$260,652,298	\$240,828,677
Surplus to policyholders	99,369,198	67,035,769
Net premiums written	108,581,171	101,639,935
Losses paid including adjusting expenses	51,779,759	47,048,206
Ratio of losses paid to net premiums written	47.7	46.3

MUTUAL COMPANIES

(Multiple Line and Exclusively Automobile)

	1945	1944
Assets	\$714,247,808	\$645,424,065
Surplus to policyholders	199,735,837	145,631,597
Net premiums written	294,828,530	256,388,227
Losses paid including adjusting expenses	138,452,414	174,070,616
Ratio of losses paid to net premiums written	46.5	49.4
Premiums earned	375,279,508	350,201,075
Losses incurred including adjusting expenses	232,843,134	211,831,410
Und. exp. incl. fed. inc. tax	96,591,312	79,117,752
Ratio of losses incurred to premiums earned	62.0	60.5
Ratio of und. exp. incl. to premiums earned	25.1	22.6
Net gain from und. and profit and loss items excl. fed. inc. tax	51,246,148	59,325,347
Net gain from investment excl. fed. inc. tax	22,445,296	13,916,611
Net increase in surplus	54,104,240	73,241,958

EXCLUSIVELY AUTOMOBILE MUTUAL COMPANIES

	1945	1944
Assets	\$102,223,950	\$85,135,245
Surplus to policyholders	36,458,570	28,358,852
Net premiums written	70,462,385	55,996,777
Losses paid including adjusting expenses	36,474,262	27,445,689
Ratio of losses paid to net premiums written	51.8	48.9

	1945	1944
Ratio of losses paid to net premiums written	51.8	48.9
Premiums earned	66,510,486	54,211,247
Losses incurred including adjusting expenses	46,382,372	32,725,484
Underwriting expenses incurred excl. fed. inc. tax	21,117,769	16,925,259
Ratio of losses incurred to premiums earned	69.7	60.4
Ratio of und. exp. incl. to premiums earned	31.8	31.2
Net gain from und. and profit and loss items excl. fed. inc. tax	-1,561,326	4,166,937
Net gain from investments excl. fed. inc. tax	4,316,166	2,029,913
Net increase in surplus	8,101,718	3,362,902

ACCIDENT & HEALTH MUTUAL COMPANIES

(Excluding Fraternal Societies)

	1945	1944
Assets	\$110,032,562	\$86,304,561
Surplus to policyholders	45,826,200	24,460,636
Net premiums written	94,724,295	82,209,160
Benefits paid including adjusting expenses	44,408,326	38,591,001
Ratio of benefits paid to net premiums written	46.9	46.9

FRATERNAL SOCIETIES

(Accident & Health)

	1945	1944
Assets	\$111,727,805	\$133,012,431
Surplus to policyholders	14,230,284	13,422,729
Net premiums written	9,880,429	7,509,661
Losses paid including adjusting expenses	5,020,996	5,407,943

HOSPITALS AND HOSPITALIZATION ASSOCIATIONS

	1945	1944
Assets	\$90,082,924	\$70,415,511
Surplus to policyholders	48,725,311	39,402,517
Net premiums written	144,727,781	111,106,181
Losses paid including adjusting expenses	116,207,132	85,039,472
Ratio of losses paid to net premiums written	80.3	76.5

CLASSIFICATION OF TOTAL MUTUAL BUSINESS

(Multiple Line, Exclusively Automobile and Accident and Health)

	1945			1944		
	Net Prems. Written	Losses & Adj. Exp. Paid	%	Net Prems. Written	Losses & Adj. Exp. Paid	%
Auto fire, theft, etc.	14,237,620	6,272,393	44.1	10,748,106	4,336,804	40.4
Auto collision	35,987,085	24,779,806	68.9	24,901,260	16,614,445	66.7
Auto liability	90,066,165	36,890,201	41.0	79,220,987	31,679,231	40.0
Auto property damage	34,741,970	20,932,694	60.3	29,646,181	15,267,512	51.5
Total automobile	174,972,840	88,875,094	50.8	144,516,480	67,897,992	47.0
A. & H. (incl. sick, ben. & burial)	110,818,717	52,483,885	47.4	96,452,252	47,141,233	48.9
Boiler & machinery	3,765,264	658,641	17.5	3,417,495	617,107	18.1
Burglary & theft	3,244,308	961,306	29.6	2,305,327	619,527	26.8
Fidelity	1,410,842	461,743	32.7	1,307,325	327,789	25.1
Glass	1,515,113	750,247	49.5	1,385,032	640,958	46.3
Liability (no auto)	22,743,475	7,266,813	32.0	20,749,965	7,125,917	34.3
Live stock	8,857	4,424	49.9	148,682	96,139	64.7
P. D. & coll. (not auto)	2,618,243	681,231	26.0	2,175,592	626,394	28.7
Surety	294,135	5,268	1.8	239,339	4,521	1.9
Workmen's compensation	169,364,083	98,100,547	57.9	172,207,034	92,961,220	54.0
Miscellaneous	589,445	138,161	23.4	29,104	2,082	7.2
Grand total	\$ 488,943,322	\$ 250,387,360	51.2	\$ 444,533,627	\$ 217,969,880	49.0

RECIPROCAL & LLOYDS

(Multiple Line & Exclusively Automobile)

	1945	1944
Assets	\$114,864,356	\$106,692,249
Surplus to policyholders	42,704,101	36,546,047

EXCLUSIVELY AUTOMOBILE RECIPROCAL & LLOYDS

	1945	1944
Assets	\$70,652,316	\$61,349,719
Surplus to policyholders	25,598,489	22,135,917
Net premiums written	52,055,271	39,321,441
Losses paid including adjusting expenses	28,303,239	19,390,536
Ratio of losses paid to net premiums written	54.4	49.3

CLASSIFICATION OF TOTAL RECIPROCAL AND LLOYDS BUSINESS

	1945			1944		
	Net Prems.	Losses &		Net Prems.	Losses &	
	Written	Adj. Exp. Paid	%	Written	Adj. Exp. Paid	%
Auto fire, theft, etc.	10,003,013	3,912,056	39.1	8,857,638	2,901,909	32.8
Auto collision	19,062,222	12,810,441	67.2	13,540,379	8,724,092	64.4
Auto liability	16,964,877	6,086,968	35.9	14,592,498	4,590,117	31.5
Auto property damage ..	8,334,993	5,075,497	60.8	7,725,585	2,765,754	35.7
Total automobile	\$44,365,105	\$27,884,962	62.7	\$44,716,091	\$20,981,872	46.7
A. & H. incl. hospitalizat'n	429,829	46,948	10.9	303,597	26,994	8.9
Burglary	233,247	107,963	46.3	319,297	137,286	43.1
Fidelity & surety	1,249,349	337,211	27.0	1,034,079	289,448	28.0
Glass	6,672	2,568	38.6	1,109,110	2,233	0.2
Liability (no auto)	2,490,104	714,162	28.7	2,433,452	606,101	24.9
Live stock	124,308	36,800	29.6	56,912	5,500	9.7
P. D. & coll. (not auto) ..	125,222	17,939	14.3	55,616	40,927	73.7
Workmen's compensation ..	13,636,114	6,630,196	48.6	15,837,868	6,804,527	43.0
Fire lines written	608,863	121,277	19.9	806,320	295,509	36.7
Miscellaneous	770,318	344,400	44.7	496,964	231,694	46.6
Grand Total	\$ 74,639,131	\$ 26,244,416	48.6	\$ 67,139,316	\$ 28,422,111	42.3

U. S. F. & G. Has Midwest Rally

About 85 managers, department heads and field men of U.S.F.&

Casualty Net Premiums and Paid Losses in 1945 in TEXAS

	Total Premiums and Losses	Auto. Liab. Premiums and Losses	Other Liab. Premiums and Losses	Work. Comp. Premiums and Losses	Fidel. Premiums and Losses	Surety Premiums and Losses	Plate Glass Premiums and Losses	Burg. Theft Premiums and Losses	P. D. and Coll. Premiums and Losses		Total Premiums and Losses	Auto. Liab. Premiums and Losses	Other Liab. Premiums and Losses	Work. Comp. Premiums and Losses	Fidel. Premiums and Losses	Surety Premiums and Losses	Plate Glass Premiums and Losses	Burg. Theft Premiums and Losses	P. D. and Coll. Premiums and Losses
Acc. & Cas.	8,392	2,223	1,588	2,960	270	34	371	133	1,052	Hartford A. & I.	2,821,011	326,923	314,307	1,428,667	97,740	62,944	15,062	120,666	254,692
Aetna Cas.	1,338,172	266,808	192,733	510,510	219,102	83,986	18,084	46,856	1,512,113	Hawkeye Cas.	3,303	—1,103	395	4,111	—	18	—	17	—
Alamo Cas.	118,789	34,585	—	—	—	—	—	64,307	34,400	Highway Und.	528,553	353,068	—	83,740	—	2,634	—	89,185	—
Allied M. C.	80,133	20,934	3,088	9,008	—	—	—	6,469	391,876	Home Indem.	196,322	125,437	19,400	34,767	—	—	—	36,116	—
Allstate	67,935	50,545	—	842	—	—	—	34,326	114,964	Houston F. & C.	248,107	4,164	692	5,998	748	1,800	—	27,209	—
Amer. Auto	300,197	116,485	22,370	93,992	—	—	1,028	6,577	64,318	Indem. No. Am.	161,839	29,744	21,296	55,586	32,401	2,515	733	2,366	—
Amer. Cas.	220,734	52,830	46,125	30,975	4,929	7,153	6,802	37,586	83,014	Insurors Ind.	339,140	50,687	14,864	222,565	—	—	1,636	6,448	—
Amer. Empl.	606,786	137,763	67,563	191,675	40,500	27,754	8,732	49,039	208,809	Keystone Mut. C.	782,133	360,624	54,443	70,359	362	89,856	12,073	14,568	179,881
Amer. F. & C.	653,301	485,963	14,023	112,138	4,647	17,881	5,263	14,741	234,397	Lawyers Sur.	254,397	110,624	3,810	24,490	—	—	6,017	2,931	87,064
Amer. Gen.	1,957,390	300,473	114,797	838,972	47,715	100,341	21,818	33,026	75,351	Lib. Lloyds	220,637	16,948	27,609	146,537	546	68	—	—	21,106
Amer. G. & L.	1,253,161	81,548	10,596	874,742	2,888	—	8,390	8,902	82,596	Lib. Mutual	1,344,947	80,622	91,387	1,096,949	—	—	1,789	8,153	57,907
Amer. Ind.	496,566	126,271	17,673	15,617	20,387	7,390	24,026	157,687	733,945	Lloyds Cas. Ins.	155,252	85,118	47,614	637,986	—	—	1,707	4,534	48,437
Amer. Mot.	172,346	55,121	—1,307	31,107	2,845	3,027	229	568	45,237	L. & L. Indem.	1,500	993	20	—	—	18	46	421	
Amer. M. L.	342,307	21,479	—1,150	315,273	49	—	—	9,417	408	London Guar.	32,357	3,303	4,610	12,347	—	65	1,711	5,331	
Amer. Re.	100	80	—	—	—	—	—	10,071	36,235	Lumb. Mut. Cas.	334,918	148,745	103,876	—	—	1,281	—	77,729	
Amer. States	28,075	80,643	763	5,724	—	874	1,297	9,188	152,326	Mfrs. & Merch.	4	3	—	—	—	1,246	—	58,457	
Amer. Surety	384,827	39,390	38,808	78,802	117,920	62,600	3,713	20,793	4	Mfrs. & Whole.	54,898	25,694	6,407	—	—	—	—	16,100	
Anchor Cas.	136,366	5,292	3,256	115,406	1,684	—6,252	1,346	9,886	11,010	Mfrs. Cas.	31,624	11,849	3,333	8,200	361	35	520	1,600	
Arex Indem.	37,069	6,552	2,800	17,481	—	—	475	5,328	4,925	Md. Cas.	2,165,649	378,435	207,920	1,017,890	151,986	113,219	16,708	80,138	167,767
As. Emp. Lloyds	552,821	75,050	8,456	400,491	—	—	38	1,584	1,049,465	Mass. Bond.	587,627	46,832	45,098	260,078	91,123	82,034	4,018	19,738	38,716
Assoc. Ind.	1,216,556	37,302	52,353	1,051,414	4,498	3,769	873	584	256,492	Mellon Ind.	646	—	—	—	—	—	—	—	17,091
Atlantic	18,608	2,827	—	766,686	831	180	138	21	646	Metropol. Cas.	370,429	184,108	31,353	2,285	19,006	4,785	15,434	32,947	80,511
Bankers Ind.	3,378	725	35	319	—	—	2,024	1,333	120,729	Mid-States	71,134	3,743	—	1,910	—1,107	6,094	9,988	48,334	48,128
Car & Gen.	102,777	32,759	4,363	47,358	—	1,148	2,237	14,896	57,665	Nat'l Auto & C.	1,168,772	196,072	12,191	432,028	350	2,188	5,303	12,191	304,504
Cas. Rec. Ex.	215,244	34,911	23,912	135,679	—	—	683	527	516,326	Nat'l Cas.	141,326	26,329	18,468	71,339	—	—	944	5,805	18,468
Celina M. C.	27,260	9,040	848	—	—	—	11,447	10,769	12,724	Nat'l Mut. Cas.	20,035	1,609	3,744	11,451	—	—	9	293	1,179
Central M. C.	13,519	3,711	116	—	—	—	8	2,948	8,607	Nat'l Surety	816,959	36,592	15,871	34,468	365,423	190,885	6,836	149,622	17,332
Central Sur.	515,506	213,011	40,433	108,061	27,826	32,426	13,732	19,439	177,474	New Am. Cas.	332,312	73,616	51,189	73,192	30,424	50,710	7,480	17,055	28,836
Century Ind.	242,160	116,273	11,572	84,174	—473	—93	5,834	4,104	28,876	New York Cas.	29,473	29,933	3,560	26,295	10,152	6,306	1,376	2,284	12,567
Columbia Cas.	163,230	22,351	12,927	49,701	20,062	3,544	1,316	4,806	36,033	N. W. Cas.	45,072	8,387	9,728	—	—	—	1,986	8,719	10,082
Commer. Cas.	210,255	114,713	15,288	1,166	7,438	3,818	8,391	14,664	9,076	N. W. Natl. Cas.	4,808	2,789	—	—	—	—	861	1,143	4,301
Cas. Ind. Ex.	2,309	—	—	—	—	—	3,462	3,945	625	Ocean Acci.	108,905	23,979	10,936	26,111	—	—	1,851	3,888	16,570
Commer. Std.	2,117,178	380,177	89,074	744,877	32,400	72,219	17,769	18,112	27,498	Ohio Cas.	112,017	27,305	8,352	2,566	7,631	1,979	2,864	4,370	39,343
Conn. Ind.	6,255	4,084	170	—	—	—	93	272	51,671	Pacific Empl.	820,410	41,051	59,018	636,810	—	31	415	267	82,818
Consol. Cas.	108,077	—	108,077	—	—	—	100	12	1,097,551	Pacific Ind.	1,015,402	42,763	9,335	878,998	—13	327	—	22	16,230
Consol. Und.	306,866	23,038	14,523	297,290	—	—	—	25,292	1,097,551	Peerless Cas.	8,453	5,100	2,550	1,061,605	—	561	242	—	11,579
Cont. Cas.	1,177,074	300,778	206,517	417,324	76,356	45,674	8,286	57,428	156,491	Penna. Cas.	243,474	165,641	5,005	23,543	—	—	192	9,758	39,331
Cent. Fire & C.	418,514	95,794	51,127	263,148	5,811	—90	5,301	6,671	93,544	Petroleum Cas.	310,253	62,613	—	12,914	—	—	8	2,267	15,742
Eagle Ind.	528,429	107,033	25,165	283,163	18,760	5,259	2,143	16,102	178,205	Phoenix Indem.	103,986	37,618	2,013	4,408	—	—	721	6,417	15,652
Emmco Cas.	275,045	33,547	5,217	181,506	1,851	—	1,244	4,254	53,402	Preferred Acci.	72,964	41,411	2,014	4,408	—	—	21	146	8,036
Empl. Lloyds	25,049	—	—	25,049	—	—	—	—	15,613	Protective Ind.	30,661	11,814	3,800	5,927	—	—	1,272	2,226	5,621
Empl. Cas.	1,907,596	571,263	483,388	15,645	7,387	4,252	17,225	663,361	7,134	Royal Indem.	397,591	181,083	40,097	53,939	9,987	5,864	3,890	16,335	86,866
Empl. Liab.	1,034,562	225,798	138,963	583,871	33,925	13,272	7,130	32,181	243,776	Safety Cas.	169,190	74,287	5,314	108,358	182	—135	2,754	2,177	50,837
Empl. M. C.	320,018	82,056	9,104	114,779	—	—	300	730	156,491	St. Paul-Merc.	1,035,935	243,620	136,770	217,287	181,119	108,972	23,011	74,971	50,186
Empl. M. L.	439,050	53,964	22,765	313,319	—30	—	20	733	44,851	Seaboard Sur.	247,231	83,190	23,449	69,396	67,107	30,401	9,491	21,715	3,294
Empl. Re.	161,842	—	13,144	148,150	—	—	—	—	550,512	Sec. Mut. Cas.	118,006	3,498	5,879	108,042	—	—	—	—	678
Excess	4,637	—	4,637	—	—	—	—	—	89,514	Service Mut.	657,300	57,919	—	131,522	—	—	460	90	86,312
Factory M. L.	4,512	2,126	23	—	—	—	142	2,219	130,186	Shelby Mut.	3,418	—	—	37,693	—	—	3,418	—	32,524
Fmrs. Au. I. Ex.	20,286	6,246	—	—	—	—	—	—	3,418	South Lloyds	46,474	14,030	—	—	—	—	—	—	21,580
F. & C.	1,132,496	153,530	86,960	635,971	93,591	30,663	8,164	35,239	18,582	S. W. Lloyds	29,943	3,753	5,105	18,133	770	40	—	—	5,895
F. & D.	381,991	—	1,088	208,241	90,351	3,581	78,727	—	342,185	S. W. General.	657,309	558,278	—	4,704	—	—	—	—	90,831
Fidelity Mut.	61,949	17,653	—	—	—	—	1,673	17,151	130,186	Standard Acc.	957,086	141,842	71,306	484,836	41,772	99,944	6,071	20,355	90,871
Fireman's Fd. Ind.	150,498	33,370	11,453	73,102	2,884	393	119	653	342,185	Stand. S. & C.	80,773	38,314	6,709	13,106	491	1,733	1,024	3,176	16,219
Ft. Worth Lloyds	209,086	45,033	10,613	43,860	118	—	66	47	30,977	State Farm	1,072,480	323,670	—	7,379	—	—	441	276	12,271
Gen. Acc.	91,228	17,696	32,271	70,647	—	—	2,113	—	440,525	Sun Indem.	24,095	9,556	1,193	8,408	—	—	—	—	335,455
Gen. Cas. Wash.	166,450	30,655	29,161	18,592	20,068	22,950	1,368	13,082	4,806	Superior	653,056	118,800	22,323	246,208	—	10,081	280	1,056	197,073
General, Tex.	376,758	68,585	12,779	118,884	326	48	650	1,160	230,127	Tex. Comp.	31,742	—	—	31,742	—	—	—	—	85,368
General Re.	153,986	11,015	200	52,849	—	—	9	266	26,435	Tex. Employers.	7,157,302	—	—	7,157,302	—	—	—	—	—
Glens Falls	192,962	57,609	17,684	55,100	11,689	10,712	1,981	14,445	3,633,794	Tex. Gen. Und.	134,383	33,832	—	—	—	—	—	—	78

S. ft. na. d. ses	P. D. & Coll. Prema. and Losses
666	254,892
709	125,099
-17	-308
288	5,047
...	89,186
308	36,114
559	66,946
678	27,291
...	211,019
366	40,569
38	17,212
448	2,522
579	43,377
568	35,194
931	179,831
...	87,964
...	21,146
153	4,852
534	57,947
...	19,015
46	48,437
...	27,128
...	423
...	361
...	5,231
97	4,344
...	77,178
...	58,457
...	1
...	16,166
...	7,574
609	5,766
109	1,669
138	167,767
206	77,473
758	38,716
309	17,094
...	...
947	80,511
988	46,982
...	48,334
...	48,139
191	304,524
678	231,425
805	18,442
676	7,921
293	1,178
...	686
622	17,332
483	6,765
655	28,636
604	14,374
284	12,567
811	6,354
719	10,882
143	4,301
...	1,278
...	191
888	16,579
551	3,987
370	39,243
589	27,221
267	82,818
...	37,597
22	16,230
...	11,579
...	...
758	39,331
267	15,742
...	...
417	15,622
146	8,036
418	17,993
146	5,949
256	5,621
535	779
325	86,206
177	50,837
...	...
971	50,186
715	3,284
...	...
...	676
...	128
90	86,312
565	33,524
...	...
...	21,583
...	8,503
...	2,130
...	665
...	99,031
...	22,591
355	90,871
367	35,483
176	16,219
276	12,271
...	600,650
...	335,558
225	4,623
...	1,310
056	197,878
...	85,368
...	...
...	78,165
...	21,679
...	...
...	26,371
...	13,982
336	318,435
424	166,702
598	214,797
992	102,378

EUROPEAN GENERAL REINSURANCE COMPANY, Ltd.



ESTABLISHED 1911

OF LONDON,
ENGLAND

CASUALTY

FIDELITY

SURETY

Reinsurance

UNITED STATES BRANCH • 99 JOHN STREET, NEW YORK

T. L. HAFF, U. S. Manager

E. BRANDLI, Asst. U. S. Manager

Text of Proposed Revision of A. & H. Policy Guide

Herewith is given the text of the changes in and additions to the "Official Guide for the Filing and Approval of A. & H. Contracts" as recommended by the commissioners A. & H. committee at Chicago this week.

Page 8

II. GUIDE FOR REVIEW OF CONTRACTS

Delete the present paragraph and substitute the following:

"(This guide is applicable to the approval of accident and health policies issued to individuals and to family expense contracts, when not subject to group or blanket accident and sickness statutes.)"

BRIEF DESCRIPTION

In section 3 delete the following words:

"Ticket policies issued only at transportation offices are excepted."

And new section 6.

"The word 'non-cancellable' shall not be used unless the policy is both non-cancellable and guaranteed renewable to age . . ."

Add new section 7.

"If the policy does not cover accident or sickness arising out of or sustained in the course of the insured's occupa-

tion, the word 'non-occupational' shall appear in the brief description, unless a rider signed by the Insured excluding occupational coverage is attached."

LIMITED POLICIES

Under "Limited Policies" delete section 1 and substitute the following:

"A limited policy is defined as one that insures against specific hazards with a general exclusion of or reduced benefits for all other hazards, as contrasted with the regular type of policy which insures against all accident or health hazards, or both, enumerating specific exclusions, limitations, or reductions."

"All limited policies shall be so identified by having the words 'This Is a Limited Policy—Read It Carefully' imprinted diagonally across the face of the policy and the filing back in contrasting color from the text of the policy and in outline type not smaller than eighteen point. When appropriate, these words may be varied in a manner to indicate the type of policy; as for example, 'This Policy Is Limited to Automobile Accidents—Read It Carefully'."

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NAME OF INSURER

Eliminate present language and substitute the following:

"Each policy must bear the corporate name and address (city and state) of the insurer by which it is issued on the face and filing back. The name of the agent, broker or underwriter, if permitted by the insurer, shall appear with less prominence than the name of the insurer."

TIME POLICY TAKES EFFECT AND TERMINATES

Under "TIME POLICY TAKES EFFECT AND TERMINATES" insert the word

"clearly" between the words "must" and "express."

PREMIUMS

Add the following paragraph:

"No policy shall contain any provision which professes to establish the date of payment of renewal premium as other than the date when such payment is made to any authorized agent or deposited in the U. S. mail."

Page 10

IDENTIFICATION

Delete paragraph under caption "Identification", substitute the following:

"Identification clauses are often misleading, are of very little value to the insured and should not be approved in any form."

Page 11

ENDORSEMENTS

Strike out the present paragraph under "Endorsements" and substitute the following:

"An endorsement differs from a rider only in that it is applied to a policy by means of printing or stamping on the body of the policy. If the endorsement reduces or eliminates coverage of policy, signed acceptance by the insured is necessary."

Page 14

OPTIONAL STANDARD PROVISION 20

Under "Optional Standard Provision 20" delete the word "light" and substitute the word "bold."

IV. GENERAL MISCELLANEOUS OR ADDITIONAL PROVISIONS

In the first paragraph, second line, eliminate the words "precede or".

To the second paragraph, add the following:

"In any policy which is renewable at the option of the insurer only the renewal provision should use the words 'subject to the consent of the insurer' or 'only with the consent of the insurer', or words of similar import."

Add the following two paragraphs:

"No policy should be approved which contains a 'strict compliance' clause, as for example: 'Strict compliance on the part of the insured and beneficiary with all the provisions and agreements of this policy, and the application signed by the insured, is a condition precedent to recovery and any failure in this respect shall forfeit to the insurer all right to any indemnity.'"

"If the age of the insured has been misstated, any amount payable under this policy shall be such as the premium would have purchased if the correct age except that if the policy would not have been issued or effective at the correct age under the insurer's rule, on file with the insurance department, then the policy shall be void."

"Any premium paid to the insurer for any period not covered by this policy shall be refunded."

Page 15

V. EXCEPTIONS AND REDUCTIONS

Add under "Exceptions and Reductions" which starts on page 14 the following paragraph:

"No policy shall exclude coverage for the sickness benefits thereunder on the basis accident insurance benefits may have been claimed. No policy shall exclude coverage for the accident benefits hereunder on the basis that sickness insurance benefits may have been claimed. This exclusion should state in substance that the sickness benefits are not pay-

able for any loss resulting from bodily injuries sustained through accident."

Page 16

USE OF EXCEPTIONS AND REDUCTIONS

Add the following language to paragraph 3:

"where it immediately follows the benefit provision to which it applies."

Add the same language to paragraph 4.

Add the following paragraphs:

"6. If the policy contains an exception of liability for injury arising out of riots, the exception should be confined to cases in which the insured is participating in the riot."

"7. Any provision which affects the liability of the insurer because of any violation of law by the insured during the term of the policy shall be substantially in the following form:

"The insurer shall not be liable for death, injury incurred or disease contracted, to which a contributing cause was the insured's commission of, or attempt to commit, a felony, or to which a contributing cause was the insured's being engaged in an illegal occupation."

6. CERTAIN EXCEPTIONS

In section (b) delete from the second line the word "provides" and substitute the word "states."

In the last line of section (b) delete the word "exceptions" and substitute the words "a reduction."

Page 19

TEXT OF POLICY

Under the "Text of Policy" delete the first paragraph and substitute the following:

"a. Use not less than ten point light face type. (The text includes all printing of the policy, riders, endorsements, and applications attached thereto, except name and address of insurer, name and title of policy, brief description, captions and sub-captions, attestation clause, signatures and form numbers.)"

Jensen Marks 40th Year with Maryland Casualty

Holger Jensen, manager of the engineering division of Maryland Casualty, has celebrated his 40th year with that company.

Mr. Jensen came to America from Denmark at age 15. He joined Maryland as a boiler inspector at Pittsburgh and went to the home office in 1913, where he was placed in charge of creating a safety engineering department.

He helped organize the National Safety Council and is a charter member of the American Society of Safety Engineers. He was a founder of the Baltimore Safety Council and the first president of the Safety Engineering Club of Baltimore.

In 1913 Mr. Jensen assisted in compiling the first book on safety for industry, "Universal Safety Standards," and in 1924 he developed a program for truck fleet operation which has been adopted nationally.

Quick claim settlement by "American" ... AN ACTUAL CASE

FEB. 22	Thieves wreck safe... Steal \$1297 ⁰⁰ payroll
FEB. 23	Claim examiner gets bid for repairing safe...
FEB. 24	Sunday
FEB. 25	Draft for \$1105 ⁰⁰ handed to policyholder (\$1000 Policy limit - plus \$105 ⁰⁰ for safe repair)
FEB.	



American Casualty Company
OF READING, PENNSYLVANIA

CAPITAL \$2,000,000.

Fire Affiliate: American Aviation & General Insurance Company

CONTINUED FROM PAGE 26)

	Total Prens. and Losses	Auto. Prens. and Losses	Other Liab. Prens. and Losses	Work. Comp. Prens. and Losses	Fidel. Prens. and Losses	Surety Prens. and Losses	Plate Glass Prens. and Losses	Burg. Theft Prens. and Losses	P. D. & Coll. Prens. and Losses
Travelers	3,115,991	22,307	159,123	2,934,561					
Trin. Univ.	1,436,918	5,790	75,409	1,352,219					
United Pac.	1,780,639	318,066	76,913	358,725	31,802	58,454	26,782	35,481	600,819
United Serv.	923,787	91,047	10,564	209,137	152	—6,110	11,173	11,135	442,042
U. S. Cas.	1,608			1,205	404				
U. S. F. & G.	196,930	63,741							100,969
U. S. F. & G.	81,701	12,861							56,237
U. S. F. & G.	118,813	29,381	11,489	46,678	2,715	3,539	2,955	7,587	15,379
U. S. F. & G.	50,768	11,296	829	26,584	49		231	5,609	6,179
U. S. F. & G.	1,487,075	189,347	148,683	723,743	133,544	100,781	9,897	46,186	134,861
U. S. F. & G.	432,467	74,957	9,569	266,750	17,860	478	3,786	7,719	52,245
U. S. Guar.	75,150	7,479			5,194	51,107	72	4,947	5,682
Univ. Lloyds ..	15,938	1,503			11,067	—2,223	324	2,352	2,913
West. Am.	93,700	51,672							36,000
West. C. & S. ..	23,528	11,615							11,912
West. Lloyds ..	6,589	587	—270	6,160					106
West. Lloyds ..	12,707		911	8,723					2,316
West. Lloyds ..	128,850	26,192	18,044	54,270	3,014	1,201	2,938	5,964	17,226
West. Lloyds ..	31,889	4,844	120	13,953			1,556	2,895	5,549
West. Lloyds ..	15,331	4,114							9,317
West. Lloyds ..	17,161	4,469							8,917
York, Indem. ..	14,688	3,043	5,658	3,136					1,867
Zurich	212			81					131
Zurich	792,529	249,230	37,006	420,259			2,183	7,657	76,195
Zurich	558,804	126,850	2,542	373,279			820	422	54,840
Total Prens.	\$64,031,633*								588,829
Total Losses	\$30,466,558*								297,376
Auto B.I. Prens.	\$11,648,137								165,901
Auto B.I. Losses	4,193,710								1,491,317
Other Liab. Prens.	4,012,488								422,539
Other Liab. Losses	892,473								9,893,238
W. C. Prens.	30,839,975								4,797,366
W. C. Losses	18,064,465								
Fidelity Prens.	2,359,206								
Fidelity Losses	291,538								
Surety Prens.	1,893,096								
Surety Losses									
Glass Prens.									
Glass Losses									
Burglary Prens.									
Burglary Losses									
P. D. and Coll. Prens.									
P. D. and Coll. Losses									

*Includes boiler and machinery and auto fire, theft and comprehensive of full cover insurers.

A. & H. Bureau Statement on Regulation

(CONTINUED FROM PAGE 23)

disapprove policies which he finds contain ambiguous or deceptive provisions, or which he finds are sold by means of deceptive advertising. It is also proposed that certificate, endorsement, rider and application forms, as well as policy forms, be filed with the commissioner and that he be given the power to disapprove such forms. Other changes are suggested to lessen technical difficulties which have arisen over required size and style of type, and to include family policies as well as those issued to insure one person. We believe such a revised standard provisions law should be included in the general program of insurance regulation submitted to all states.

Against Statutory Form

Whether any attempt should be made with regard to contract forms to go beyond the scope of the present standard provisions law and the proposed changes is a debatable question. It seems clear that policy forms prescribed by statute are impractical in view of the great variety of coverages in the accident and health field, and would be undesirable in view of the continuing development and change in the coverages offered.

New York a few years ago added two optional provisions to its standard provisions law dealing with certain exclusions. We believe that if exclusions are to be dealt with in the law, the law should be so worded that they would not have to be included with the standard provisions.

Policy provisions which come under the same general caption may differ considerably in the coverage actually given. For example, three policies may each pay \$25 a week for total disability, but one may define total disability as disability to engage in the insured's occupation, the second may define it as disability to engage in any occupation, and the third as house-confining disability. The total amount payable for an injury or illness may vary considerably between a policy using one of these wordings and a policy using another. Arguments may be advanced for the use of each of these definitions. One may be suitable for policies issued only to persons gainfully employed, and another for policies having a more general market. In order to sell a low-cost policy it may be necessary to have a more restrictive definition than is contained in a policy selling at a higher premium. If so, is it more desirable to permit the restrictive definition, or to run the risk that the pur-

chasers of the low-cost policy will be without insurance? The difficulties and dangers in the way of prescribing such policy provisions by statute are very great. Such action would have a strong tendency to stifle the initiative and invention to which reference has been made. It would probably be impossible to obtain agreement at this time among the commissioners or within the industry as to the wording and scope of legislation prescribing policy provisions of this kind. If any such legislation is to be recommended, it should be only after long, careful and expert consideration.

Agree on Policy Provisions

One approach to this part of the problem is to permit insurers, subject to supervision of the commissioner, to agree on policy provisions of this kind which they will use. To carry further the example given above, the underwriting committee of our bureau long ago suggested that in commercial accident policies providing disability benefits for life, benefits be payable for the first 52 weeks for disability of the insured to engage in his occupation, and thereafter to engage in any occupation. We believe that the bureau program based on suggestions of this kind has been a stabilizing and helpful influence, even though the bureau companies in their commercial accident and health departments write a small part of the total accident and health insurance in this country. To permit cooperative action of this kind between insurers under state supervision might prove a satisfactory solution of this part of the regulatory problem. Even if not a permanent solution, it would probably help to define the nature of additional legislation required with regard to matters of policy coverage.

The insurance commissioner should be given legislative authority to deal with misleading or deceptive advertising. This might be included in the accident and health legislation, but should probably be a general provision relating to the entire insurance industry.

Few Companies to Blame

2. Claim Practices — The second problem of accident and health insurance regulation has to do with the practices of insurers in the settlement of claims. Various insurance departments have noted the large number of complaints coming to them relative to accident and health claim settlements. We believe that an analysis of these complaints in any department, including a comparison of the number of complaints against each insurer with the volume of that insurer's business, will show (1) that most insurers have few complaints made against them, and (2) that the majority of the complaints are against insurers having in force a very small part of the total business. If this is shown to be true, the problem becomes one of making a few companies conform to the standards which most insurers now set for themselves. The most effective way to deal with this problem may be through publicity. Every commissioner probably has the right now, if he desires, to make such an analysis and publicize the result. However, the possibility of repercussions, either legal or political, may make a commissioner hesitate to do so. Consideration might be given to a statutory provision requiring the commissioner to make an annual analysis of complaints filed with him and to publish the result. Instead of, or in addition to, publication, the commissioner might be authorized to give a warning to any company found to have an abnormally high percentage of complaints filed against it, and if the same condition persists for a year or two years (as specified in the statute) after the warning, to impose a penalty by fine, revocation of license, or both.

3. Rates — The third part of the problem of regulation of accident and health insurance has to do with rates. We believe that, because of differences in the



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	100,900
	56,237
5,587	15,370
1,609	6,170
7,719	52,240
4,947	5,832
2,352	2,911
	36,800
	11,912
	100
	2,316
9,964	17,250
8,885	8,500
	6,547
4,468	7,817
	1,867
6,657	121
422	76,180
	54,940
	508,820
	297,376
	165,901
	1,491,730
	422,539
	9,893,238
	4,797,366
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existing factual situation, this problem is quite distinct from that of the regulation of casualty and fire rates. We have attempted earlier in this memorandum to give a thumb-nail sketch of the organizations by which, and the manner in which, accident and health insurance is written. From the facts stated it should be clear that concerted action on rates is not an important factor in the accident and health field. There is open and active competition as to rates as well as to all other aspects of the business and the great majority of insurers in the business feel that this traditional American way of determining the sale price of their product, which it is the purpose of the anti-trust laws to preserve, is better than rate regulation by an agency of government. Therefore, if our understanding is correct, any attempt at compulsory rate regulation of accident and health insurance will be strongly opposed by most of the industry. If the supervising authorities of the states and the casualty and fire branches of the insurance industry succeed in reaching an agreement on proposed compulsory rating legislation for those lines, we believe it would be most unfortunate to create opposition to the enactment of that legislation by including accident and health rates.

Moreover, a very large part of the proposed casualty rating bill would have no application to the accident and health business as at present conducted. So far as we can see there is no need for an accident and health rating law to include any provisions for rating organizations or bureaus, deviations, appeal by minority members of bureaus, and other provisions of the proposed casualty bill.

There is another important difference between accident and health insurance and most casualty lines which requires consideration in this connection. Accident and health policies are renewed year after year and it is seldom that there is any change in rate. Policyholders move from one state to another and the insurer may not know the state of residence of a given policyholder on the renewal date. In the case of non-cancellable policies the renewal rate is fixed at the inception of the contract. It is of considerable importance if the business is to be economically conducted that rates be uniform throughout the area in which an insurer does business whether that be one state or the entire United States. While there is nothing in the casualty bill to prohibit a country-wide rate, and while we realize that a rating law cannot require the commissioner to approve a rate because it is approved in other states, we believe that any rating law for accident and health insurance should require that rates be determined on the basis of factors relating to the probable future experience throughout the entire area in which it is intended that such rates be used.

Compulsory regulation of accident and health rates might prove much more difficult to administer than regulation of casualty or fire rates because of the wide variety of accident and health coverages and of premiums charged therefor. While this is not a sufficient reason for avoiding such regulation if the public interest requires it, it is a factor to be considered along with other reasons for and against the regulation of accident and health rates.

We have suggested earlier in this memorandum that agreements between insurers, subject to the supervision of the commissioner, as to policy forms and coverages may be a stabilizing and beneficial influence in the accident and health insurance field. We believe consideration should be given to the inclusion of agreements as to rates in a statute authorizing such cooperative action.

Kan. Headquarters in Wichita

The United Reserve Insurance Agency of United of Chicago has opened Kansas headquarters in Wichita at 809 Central building with E. J. Brier as state manager. Accident and health as well as hospitalization insurance will be written.

**Premium Gain in
Casualty Field 8.5%.**

(CONTINUED FROM PAGE 23)

Mutual auto and mutual multiple line companies paid losses of \$232,843,134, up 9.1% from 1944, the resultant 1945 loss ratio being 46.5, a decrease from 49.4 in 1944.

A. & H. business of stock multiple line companies and A. & H. departments of life companies produced \$238,855,000 in benefits, 9.8% more than in 1944, with benefit ratios of 58.6 and 52, respectively. Mutual A. & H. companies paid benefits of \$52,483,885, up to 10.2% from 1944 and with a benefit ratio of 47.4 in 1945 compared to 48.9 in 1944.

Earned and Incurred Ratios

The ratio of losses incurred to premiums earned for stock companies rose from 54.4 to 55.9 in 1945. Exclusively auto stock companies had an incurred to earned loss ratio of 58.3 compared to 50.5 in 1944. Mutual companies excepting exclusively A. & H., show a 62% incurred loss ratio in 1945 compared to 60.5 the year before. Exclusively auto mutals had a 69.7% incurred loss ratio in 1945 and 60.4% in 1944.

Assets of all stock companies, excepting A. & H. and life companies writing A. & H. increased from \$4,535,551,307 to \$5,007,312,986 and their surplus to policyholders from \$830,803,704 to \$1,166,902,805, much of this increase being caused by the change in the handling of special funds, as provided in the 1945 convention report. The net gain from investments from these companies rose from \$100,918,858 in 1944 to \$151,773,223 during 1945.

Many other interesting figures and tables are published in the new Argus Casualty & Surety Chart including an analysis of casualty and surety business, showing both premiums written and earned, and the incurred to earned loss ratios, by lines for each stock company for a 10 year period along with comprehensive financial figures for each for the same period.

Mutual Multiple Line

In addition the Argus Chart has several important special sections devoted to mutual multiple line companies, reciprocals, Lloyds, accident and health and hospitalization. In connection with the large A. & H. section is a new five page analysis of premiums and losses with ratios for each major A. & H. class of business, giving the current year's experience of each company as to accident, health, hospitalization, group A. & H., non-can and total A. & H. business.

This 47th annual edition of the chart contains a wealth of useful information, much of which is difficult to locate elsewhere. Single copies sell at \$1.25 each, 12 copies at 75c each, 100 at 45c each and less in larger quantities. Advance orders are now being shipped in sequence as ordered. A limited supply of additional copies is available. Orders should be addressed to The National Underwriter, statistical division at 420 East Fourth street, Cincinnati 2, O.

**Associated Broadens Its
Liability Policies**

Heretofore Associated Aviation Underwriters' aircraft liability policy and fixed base liability policy issued to airport operators and flying schools have excluded personal liability coverage for students or renter pilots unless the policy was specifically extended for an additional premium.

Effective immediately Associated is interpreting all policies now in force issued to fixed base operators or flying schools as covering the interest of such pilots, without additional charge; policies subsequently issued will be endorsed, deleting the exclusion of student or renter pilots now appearing in the definition of assured.

Sparks Fly at Hearing on A. & H.

(CONTINUED FROM PAGE 23)

H. L. Rietz, Metropolitan Life, inquired as to the purpose of the zone 4 action.

Commissioner Knowlton of New Hampshire said that two years ago some interest was expressed in asking for experience by lines. Then the question arose about what would be done with experience when it was gotten. The idea seemed to be to find out companies with disproportionately low loss ratios.

Shortage of Help

Mr. Rietz said that because of the shortage of help, Metropolitan Life had to discontinue many of its ordinary statistical operations during the war. He suggested that it is inopportune to ask for such figures. Strangely, he declared, at least so far as the eastern companies are concerned, the claim ratios during the war went down on personal accident and health business to an embarrassingly low level but during the same period the loss ratios got embarrassingly high on group lines. In good times, the expectation is that there will be a lower claim rate, but during the war the lines of experience divided as between group and personal. One reason may be that during the war when so many marginal workers were employed, the insurers were taking on many persons in the group field that they would not write as individuals.

In the personal field, affecting the claims record favorably, was the fact that it was far more profitable for a worker to keep on the job than to receive sick benefits. The experience during the war was very distorted.

Zone 4 Not Represented

There was no commissioner present that attended the zone 4 meeting but John W. Wickstrom of the Michigan department did make some observations.

Paul Rogers, assistant secretary of Aetna Life, pointed out that in the war companies lost at least half of their actuarial and accounting staffs and it was necessary for them to discontinue the compilation of statistics except those needed for the annual statements and for accounting purposes. Even if the figures were available, they would give a distorted picture, he said. Never before in the history of accident and health insurance did all the factors combine to give such a favorable experience, he said. The principal influences were maximum employment and gasoline rationing. The loss ratio got down to an undreamed of low point. However, over a 13 to 14 year stretch, the loss ratio comes out within a fraction of a percent of the expected.

Mr. Rogers said he would be fearful of whatever use were made of any such figures as zone 4 desires. False impressions would be sure to be created.

Reads Bureau Statement

Mr. Rogers thereupon read a statement that appears in other columns, giving the official viewpoint of the Bureau of Personal Accident & Health Underwriters on what the nature of state regulation of accident and health insurance should be.

C. O. Pauley, secretary of Great Northern, pointed out that in 1934 his company started issuing a policy for the Automobile Club of Michigan. It gave a 75% to 80% loss ratio until 1942, but then from '42-45 the loss ratio was but 35%. He said he is not going by the war experience but intends to get a higher premium during the next two years because of what happened in the pre-war days. During the war years the loss ratio was 15% below normal, but that has to be disregarded, he contended.

Commissioner Kavanaugh declared that states may cause some companies to become so tired that they will welcome federal supervision.

Mr. Pauley stated that if only one state required the figures that zone 4

wants, they might just as well be filed with all states.

Mr. Wickstrom suggested that the industry people file their views with Mr. Forbes.

Mr. Gordon voiced the opinion that the industry is entitled to an expression of opinion on the subject from the commissioners' A. & H. committee.

Clement Stone, Combined Mutual Casualty, said that the zone 4 commissioners are trying to render a public service. They feel that some companies are not rendering a service and their activity should be curbed. However, he felt that there was a better approach to the problem.

Mr. Pauley said he views these zone meetings with some concern. At the annual meetings there is an opportunity to develop all angles and the industry is thoroughly represented. At the zone meetings the industry is not represented and yet the commissioners there take steps that affect all insurance companies.

Mr. Parkinson indicated the belief that it would be improper for the A. & H. committee to take a stand at Chicago inasmuch as the zone 4 spokesmen were not represented.

Says Implications Damaging

Mr. Gordon declared that no insurance line has a higher loss ratio than accident and health. The studies made by Prof. Ralph Blanchard for the social security board showed that over a five-year period the ratio was 55.

The implication that the accident and health companies are operating on a low loss basis is damaging and the damage is undeserved, he declared. The A. & H. insurers pay one claim out of 5-6 policyholders and they have fewer complaints than almost any line. It is not fair for public officials to imply that there is a great deal wrong with accident and health.

The industry, he said, is having a tough enough fight against government competition.

Mr. Kavanaugh declared it is improper to give out figures that are unfair to state supervision and to industry.

Long Hours Monday

The committee was in open session all day Monday on revisions of the standard guide. There was a short executive session and then a cocktail interlude with Health & Accident Underwriters Conference as hosts. That evening there was the special session held at the request of the industry people.

Commissioners present included Parkinson, Illinois; Ensor, Maryland; White, Mississippi; Kavanaugh, Colorado; Knowlton, New Hampshire, and these deputies or other departmental men: Cohen, New York; Shands, Florida; Ross and Burks, Illinois; Goodwin, Connecticut; Wickstrom, Michigan; Alexander, Pennsylvania; Whitten, Maine.

Mr. Parkinson opened the proceedings by calling upon Mr. Goodwin to report as chairman of the subcommittee on the official guide. Mr. Goodwin recalled that the subcommittee met at Grand Rapids in December to consider changes in and additions to the guide, again at Chicago Feb. 7-8 and at New York March 27-28.

Some suggestions, he said, overlook the purpose of the guide since they had to do with matters of law rather than rulings.

The sub-committee has eliminated all matter which is determined by state law, and confined its study to matters which may properly be considered under the head of departmental rulings.

Some of the extremely controversial suggestions and those that are contradictory to suggestions made by other insurance departments have been postponed until such time as it shall appear that there is a greater unanimity of opinion among the states.

The sub-committee gave consideration to the suggestion that all policy forms

being currently sold be resubmitted for review, but decided it would be unwise at this time to impose this very large additional task on departments already overtaxed by the many problems growing out of the S.E.U.A. decision.

The changes and additions recommended would become effective Jan. 1, 1947, and a revised edition of the guide would be prepared.

If reprinted, this will be the third edition of the guide to be printed in three years.

It is recommended that printed revisions or amendments should not be published oftener than once in two years.

Family Expense Contracts

The first proposed change more definitely puts family expense contracts within the purview of the guide when not written on a group or blanket plan. Mr. Goodwin emphasized that the guide has no reference to group, but suggested that it may become desirable to tackle the group field in much the same manner as the group life definition is now being overhauled.

Considerable discussion was elicited by the recommended provision that the word non-cancellable shall not be used unless the policy is both non-cancellable and guaranteed renewable to age —.

Mr. Parkinson asked whether it would be advisable here to specify certain ages such as 60, 65 or 70. He suggested that an insurer might circumvent the spirit of the requirement by using some young age such as 30. Mr. Goodwin, however, voiced the belief that no department would look favorably upon such a scheme.

Mr. Shands asked whether a policy that terminates upon payment of a principal sum could be considered non-cancellable. He said the Florida department recently was called into a dispute where an insured under a non-can policy contract collected the principal sum for loss of one foot and one hand, kept paying premiums and then claimed benefits for a subsequent injury. The insurer, he said, paid off the claim because of its nuisance value.

Clement Stone, Combined Mutual Casualty, observed that most non-can contracts do not provide specific indemnities.

Views of C. O. Pauley

C. O. Pauley, Great Northern, said the policy isn't a policy any more after the aggregate indemnity has been paid.

There was much debate over the proposed amendment to the provision for labeling limited policies and the final decision was to employ language suggested by Parkinson that differed somewhat from the sub-committee proposal.

The question developed into what is a limited policy. The objective of the committee is to prevent insurers from misrepresenting benefits by headlining the largest indemnities that it is possible to recover and obscuring the fact that the sums paid for common accidents are paltry.

Mr. Gordon said one state is advising assured to start with the smallest benefits and then refer to the larger payments for the remote contingencies. By doing this an insurer would not have to label the contract as a limited policy.

Mr. Parkinson voiced the opinion that such a procedure would be desirable.

Mr. Cohen said that at least such a policy would not be "an assist" to misleading advertising in which the big benefits are featured.

Age Misstatement

There was a lengthy discussion on the proposal: "Any provision which affects the liability of the insurer because of misstatement of age shall provide in substance that if the age of the insured has been misstated the indemnities payable under the policy shall be such as the premium specified in the policy would have purchased at the correct age but within the limits fixed by the insurer in its classification of risks and premium rates on file with the insurance department."

Company people strongly objected to

such requirement, for one thing on the theory that it would give assured guilty of fraud undeserved dues. Some of the department men indicated their belief that age misstatements are due usually to the action of agents. Parkinson said, for instance, so-called wrecking crews will move into a town, give it a going over for a few days to sell as many policies as possible and capture the membership fee. Finding a ready prospect a year or two over the age limit, the canvasser will instruct the man to insert a lower age.

Signing in Blank

Ensor of Maryland also mentioned the fact that many agents get applicants to sign the form in blank. H. L. Rietz, Metropolitan Life, said whenever a department discovers such a situation it should get tough with insurer and agent. An insurer should be able to detect these cases. Most insurers, under such circumstances, he said, would pay the claim and fire the agent.

Mr. Ensor said an industrial company for several years has been active in the Negro field on the Eastern shore. The agents, cahoots with two doctors, were getting signatures in blank to applications and medical examination forms. The latter were completed by the doctors. The insurer is now trying to clean up the situation but has been unable to fire the agents because their union won't allow it.

Mr. Pauley said he is in process of drafting a non-can policy with an incontestable clause, but that if it is required that he has to provide cover for those that are over the top age when the policy was written, he will abandon the idea of using an incontestable clause.

R. A. Payne of Travelers broke the log jam by offering this alternative language:

"If the age of the insured has been misstated, any amount payable under this policy shall be such as the premium would have purchased at the correct age except that if the policy would not have been issued or effective at the correct age under the insurer's rule, on file with the insurance department, then the policy shall be void."

"Any premium paid to the insurer for any period not covered by this policy shall be refunded."

Non-Occupational Question

There was considerable discussion of the proposed new provision that if the policy does not cover accident or sickness arising out of or sustained in the course of insured's occupation, the word "non-occupational" shall appear in the brief description, unless a rider signed by the insured excluding occupational coverage is attached.

Mr. Pauley said that his company has a policy paying for hospital expenses except where the insured is getting such benefits from workmen's compensation. He asked whether such a policy would have to be labeled non-occupational.

Ralph Alexander, Pennsylvania, inquired why, if the same premium is charged for those covered by workmen's compensation and those that are not, hospital expenses should not be paid for all insured.

Mr. Pauley pointed out that a man may switch from employment that is covered under the compensation act to other employment.

Mr. Rietz said that this proposed addition to the guide follows group practice. For instance, group disability policies in Maryland that supplement workmen's compensation have to be labeled non-occupational.

Another provision that aroused considerable comment was one providing that no policy shall contain any provision which professes to establish the date of payment of renewal premium as other than the date when such payment is made to any authorized agent or deposited in the U. S. mail.

Mr. Rogers said that the objective here is to prevent a requirement that payment shall be made at the home office. Mr. Parkinson said that some companies require all premiums to be in

the home office before the renewal date. Marion Burks of the Illinois department said that this would affect mail order insurers that send out policies on approval with the proviso that the contract takes effect when the premium reaches the home office. However, the language was later modified to make it clear that the provision applied to renewal premiums only.

There was also considerable controversy over the proposed provision stating that an endorsement differs from a rider only in that it is applied to a policy by means of printing or stamping on the body of the policy. If the endorsement reduces or eliminates coverage of policy, signed acceptance by the insured is necessary.

Mr. Goodwin expressed the belief that this should cause no hardships, saying that a company could still use a rubber stamp and obtain signature.

Difficulty in Rural Areas

Mr. Gordon declared that this is satisfactory for city business but many companies would have to discontinue writing in rural areas if it was necessary to get a signed acceptance of endorsements.

Mr. Cohen said that in New York a trial is being given to the practice of permitting a flyer on the face of the policy calling attention to the fact that there is an endorsement.

Mr. Gordon said he doesn't object to a rider being signed because there is the hazard of its being torn off by the agent or being otherwise lost or misplaced. However, he does object to the requirement for signed endorsements.

New York Proposals

After scanning the proposed changes, the group heard an appeal from Victor S. Cohen of the New York department for insistence upon more prominent featuring in the policy of termination conditions of cancellable contracts.



Victor S. Cohen

It was his contention that the conditions of termination should be stated in the "brief description" of the policy. He said New York has had a great deal of trouble with policies that are non-cancellable for the period for which the premium is accepted.

Much dissatisfaction arises from unfamiliarity with the policy provisions concerning termination. A statement concerning the conditions of renewal or cancellation should appear at the beginning of the brief description of coverage on the face and filing back. This procedure is now followed by companies writing guaranteed renewable policies and such requirements should be applied to policies that are cancellable or renewable only at the option of the company.

Where the policy contains standard provision 16 these words should be included in the brief description, "This policy is cancellable by the company." Where the policy is noncancellable and guaranteed renewable, these words should be used: "This policy is noncancellable and guaranteed renewable to age . . ." Where the policy is noncancellable but renewable at the option of the company use: "This policy is renewable at the option of the company only." Where individual policies are issued to members of an association with standard provision 16 omitted and permitting the company to refuse to renew an individual policy only where it refuses to renew all policies issued to members of the association begin: "This policy is renewable at the option of the company as stated in . . ."

Mr. Gordon expressed opposition to the idea of encumbering the brief description with such a provision. He said that the question is where one is going to stop. Some states wanted the war clause included in the brief description.

Mr. Gordon said he has been ponder-

ing the matter and has thought of the possibility of printing in bold face at the bottom of first page in headline style a few of the most prominent features of the policy such as: "First seven days not covered," "Military Service excluded."

Says Emphasis Needed

Mr. Cohen said he agreed that the value of the brief description would be impaired if it was overloaded but he contended that the termination conditions should be emphasized that prominently.

Mr. Gordon suggested that proper captions throughout the policy would clarify the issues.

Mr. Rietz also objected to putting the matter in the brief description. He read the insuring clause of Metropolitan Life's contract which is double spaced and includes standard provision 16. Everyone agreed that this was prominently and clearly enough displayed. In 1945 Mr. Rietz said Metropolitan canceled only 11 policies out of 245,000 in force and it received no complaints.

Mr. Cohen said that if it is not to be put in the brief description, it should be put in 12 point type on the first page.

He said that many companies have the termination conditions in the insuring clause but obscurely worded such as "renewable on payment of premium and acceptance by insurer."

F. L. Templeman, Maryland Casualty, said he agreed that the condition should be as clear as the English language can make it.

Trouble With Oldsters

Mr. Pauley said that most of the trouble comes from older persons who have been insured for years and then have to be dropped. These persons forgot what was in the policy.

Mr. Parkinson said the insurance departments can reply much more easily to complaining insured if the language of the policy is specific and prominent.

Mr. Cohen said that New York is as much interested as any state in achieving uniformity but it insists that uniformity should not be achieved on a basis to suit the most easily satisfied state. New York wants to continue to make progress. The New York department gets a great many complaints and feels that the matter is serious and that more emphasis needs to be given to cancellation provisions.

New York, he said, has yielded on many points, but it feels that if there is going to be uniformity it should be on a high plane and not a low plane.

Another request of Mr. Cohen was that it be required that in all applications there be inserted a statement in bold face type immediately preceding the line for the insured's signature reading substantially as follows: "I represent that each of the above answers are true and complete and I understand that the company may void the policy to which this application shall be attached at the time of its issuance, if any of the above answers is false, provided knowledge by the company of the facts misrepresented would have led to its refusal to issue such a policy."

Also there should be reasonably sufficient space in all application forms for answers to questions.

Principal achievement of the second day's meeting was agreement on a definition for franchise A. & H. with recommendations that it be sent to the industry committee to be made up in the form of a model bill and presented at the June meeting.

Mr. Gordon, in his explanatory remarks, said that such a definition has been pending for over five years and action should be taken now. The possibility that it may be considered anti-discriminatory in some states has never been put to test, but Mr. Gordon expressed the opinion that it was not. He said that forming a definition and setting up a bill for enabling legislation would open up cheaper coverage for the country. The definition as passed is:

Accident and health coverage on a franchise plan is hereby declared to be

that form of accident and health insurance issued to:

1. Five or more employees of any corporation, co-partnership, or individual employer or any governmental corporation, agency or department thereof; or

2. Ten or more members of any trade or professional association, or of a labor union, or of any other association having had an active existence of at least two years where such an association or union has a constitution or by-laws, and is formed in good faith for purposes other than that of obtaining insurance.

Where such persons, with or without their dependents, are issued the same form of an individual policy, varying only as to amounts and kinds of coverage applied for by such persons, under an arrangement whereby the premiums on such policies may be paid to the insured periodically by the employer, with or without payroll deductions, or by the association or its members, or by some designated person acting on behalf of such employer or association.

Many Questions Asked

Although Mr. Gordon maintained that he was not in the position of sponsor of a definition, he found himself in such a spot and was recipient of many questions.

He warned that in about five years many more states will have cash sickness plans and if the companies are to write more people, they must be set up to do so. Group plans and the Blue Cross have made a good start, he said, but have been ineffective in halting state fund insurance and franchise might offer a method that would permit companies to write extensively in those states. Two proposals for definitions were brought up, the one employed and another which would restrict writing of civic groups such as Rotary Clubs and Kiwanis. Considerable discussion arose around these points, with Mr. Alexander opposing strongly inclusion of civic groups.

Mr. Cohen proposed that the argument resolve around the question of whether franchise is discriminatory and said that it should be tackled from the angle of changing anti-discrimination laws in the various states. This was considered impractical because each state would then have to review its whole insurance discriminatory laws in order to admit the franchise plan. Mr. Gordon said that the definition and enabling legislation approach is quicker and easier.

House Confinement Clauses

The chief business the second afternoon was a heated debate on house confinement clauses. Mr. Parkinson was somewhat nettled to find that industry had evolved no solution or formal statement on the matter. Mr. Gordon led off the discussion by saying that companies either must use the house confinement clause or take it out and deprive people in lower income groups of health protection.

Mr. Parkinson declared that if industry has no solution to offer, it is likely the question will be taken up by departments individually and laws passed in several states as to its use.

A severe criticism of house confining clauses was given by Mr. Cohen. He said it has led to abuse, confuses the insured and that a policy having the clause is not a disability policy at all. Numerous complaints have been received by the New York department on house confinement and Mr. Cohen noted that whenever it is brought up in court it is tossed out and those that are "cheated" under the clause are the ones that don't use the courts to get their money. Some companies use the clause to gyp the sucker, he said.

Asked whether he meant that the clause was not clear or simply no good, he replied that it is too clear and entirely unfair.

Company men admitted that some sharp business men used the confining clause literally to reduce payments, but the answer is to get rid of these by revoking their state licenses.

Mr. Cohen cited a number of examples where assured was refused payment for

sitting in his back yard, being wheeled about in a park or even visiting a hospital. Mr. Payne said that assured should not be refused payment for this, but certainly for taking a six months trip to Florida even under doctor's orders. Mr. Cohen asked if it were not conceivable that a man could be totally disabled in Florida.

Agents Are Derelict

Disability insurance is sold on the basis of paying for sickness or injury. Mr. Cohen remarked, and few agents ever tell him that he must stay strictly within his house during sickness in order to receive payment. Then when he does go out he is refused indemnity and doesn't receive what he bought.

Mr. Gordon then suggested that a committee of industry men and commissioners meet before the Portland convention and try to reach a solution. It was decided to appoint such a commissioners' committee including representatives from New York, New Jersey and Tennessee, the three departments most strongly against the clause and industry plans to supply one of its own to meet in May with the commissioners if possible and try to make a recommendation for the commissioners' meeting.

Commissioners Ensor and White reported on progress this far with revision of standard provisions, but said no conclusions have been reached and recommended no action be taken until after the industry had prepared a report.

Mr. Payne said that although one report had been made by the industry committee, snags had been encountered and they had decided to revise their first recommendations and attempt to prepare a final draft for the June convention.

No action was taken on uniform insuring clauses and uniform benefit clauses.

PERSONALS

E. O. Wagoner, who was formerly superintendent of agents of the Chicago department of Aetna Casualty and who retired a few years ago, is going to Paw Paw, Mich., his summer home, which he will now make his permanent residence.

Walter Landsberg has returned to his position as assistant underwriter in the contract bond department of Continental Casualty after a service of almost three years in the army. Mr. Landsberg served overseas with the 138th engineers combat battalion and saw active duty in the European theater.

DEATHS

J. Hugh Foster, 72, for many years grand secretary of the United Commercial Travelers, died at his home in Evanston, Ill., where he had lived for the past 10 years.

Fred L. Roberts, 72, for some years attorney for American Surety and New York Casualty in Boston, died at his home in West Medford, Mass. He was one of the earliest writers of fidelity and surety bonds in that territory. He retired from active work in 1940.

William R. Bonney, assistant eastern division sales manager of American Mutual Liability in New York died at Teaneck, N. J. Born in Lincoln, Mass., he attended Suffolk law school and in 1915 joined American Mutual in the claim department. On his return from two years service overseas in the first world war, he served in the home office underwriting department for five years and in 1924 was transferred to the New York office, where he joined the sales department, rising to chief of staff.

Joseph D. Brooks, 58, manager at Albany, N. Y. for Fidelity & Deposit, died from a heart attack. Mr. Brooks joined F. & D. in 1911 as a stenographer in the public official department in Baltimore. In 1919 he was assigned to New York as special agent and in 1922 was appointed manager at Albany.

CHANGES IN CASUALTY FIELD

Bray Ohio Casualty Manager in Dallas

F. J. Bray, well known in Texas as an underwriter and producer of casualty and surety business, has been placed in charge of Ohio Casualty's new branch office at 1809½ Ross avenue, Dallas.

Mr. Bray has been supervising business for the company for the past five years through T. A. Manning & Sons, who managed the Ohio's Texas business for many years, where he was



F. J. BRAY

manager of the casualty, automobile and marine departments before going with Ohio Casualty Jan. 1.

Complete underwriting facilities and multiple line production assistance will be available through the office.

The claim department will continue under the supervision of L. C. Rainwater, who has been with the company 15 years, the past three in charge of the Texas claim office. Claim headquarters will be in the new branch office.

Dooley Employers Group Regional Superintendent

H. Jordan Dooley, resident manager of Employers' group middle department for 23 years, has been advanced to the newly-created position of regional superintendent.

He is succeeded as resident manager by T. M. Bugey, Jr., assistant resident manager, and succeeding Mr. Bugey is Theodore F. Leuschner.

Mr. Dooley will have general supervision of activities in the middle, New Jersey, Maryland-Virginia, Carolina, Kentucky, southern, and Florida departments, with headquarters at Philadelphia.

Mr. Dooley joined Employers in 1910 as special agent for W. A. L. Laughton at Philadelphia. He went to the home office in 1914 as executive special agent for the entire country. In 1919 he returned to the middle department, becoming resident manager in 1923.

Mr. Bugey has been with Employers 21 years. He joined the company as superintendent of the burglary underwriting department and served in other divisions of the underwriting department, also was eastern special agent in Pennsylvania, as well as manager at Harrisburg. He was appointed assistant resident manager in 1932.

Mr. Leuschner, with the middle department since 1932, has served as underwriter, chief underwriter, office manager and special agent.

Patterson Casualty Chief for Chicago Agency

John M. Patterson has been appointed manager of the casualty department of Baur, Christensen & Valentine, class 1 agency of Chicago. This department has been newly added as an additional facility of the office.

Mr. Patterson started in the insurance business in that city 16 years ago with Fred S. James & Co., being connected with that office in general casualty underwriting for six years. Then he went with the Bartholomay-Clarkson agency there, doing casualty underwriting but especially handling automobile and later taking charge of that department. For the last three years he has been in the army, seeing service with the 516th quartermaster battalion and being overseas 32 months, with 22 months service in Persia and 10 months in Germany.

Little to Newark

John A. Little of the Globe Indemnity home office has been named assistant

production manager for the Newark office.

F. H. Thuss Minn. Manager of American Indemnity

American Indemnity has appointed F. H. Thuss as manager of the Minnesota branch at Minneapolis. After graduating from Lawrence College he joined Aetna Casualty at Milwaukee, where he gained both underwriting and claims knowledge. Mr. Thuss became connected with the Employers group in 1936 and served in various capacities both in Wisconsin, where he opened the Milwaukee branch, and later as assistant manager of the northern New Jersey department. He was transferred to Minnesota by Employers in 1942 where he acted as manager of the northwestern department.

Melvin Barnet has been named district manager in Frankfort, Ind., for Woodmen Accident and associated companies.

Edwards to N. Y.; Roberts Successor in Milwaukee

MILWAUKEE—Alfred H. Edwards, since 1940 manager of the Milwaukee office of American Surety and a past

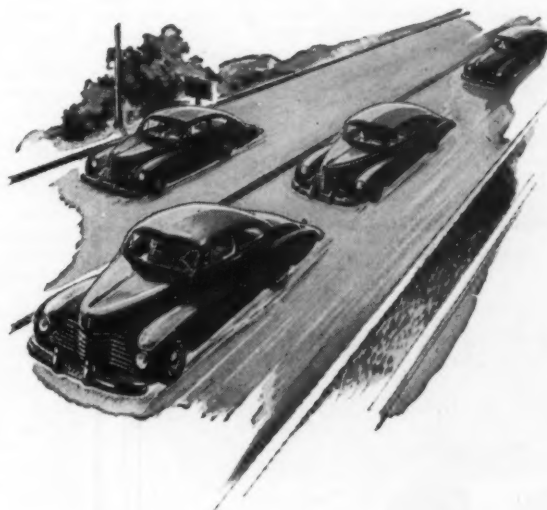
president of the Surety Underwriters Association of Milwaukee, is being transferred to the home office as sales promotion manager in the agency department. Mr. Edwards came to Milwaukee from Newark.

Maj. James H. Wells, special agent at Scranton prior to the war, also has been made a sales promotion manager. He joined the group in 1935 and spent six years in agency production work in Albany and Scranton.

Thomas W. Roberts, special agent in the Milwaukee office for a number of years, who returned early this year from military service, has been appointed to succeed Mr. Edwards as manager.

Sias in Underwriting Post with American Casualty

Robert L. Sias has returned from 38 months' army service and been appointed by American Casualty in Chicago as a casualty underwriter. Before the war he had six years' insurance experience, starting as a solicitor for Lumbermen's Mutual Casualty in the western suburbs of Chicago with office in La Grange, Ill. Then he went with American Mutual, operating out of the Louisville branch



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and subsequently traveled for Zurich in Illinois, Wisconsin, and New York. After that he was a Cook county, Illinois, special agent of American Automobile. He has had special agency experience in Kentucky, Tennessee, southern Indiana and Ohio in addition to the states mentioned.

Mr. Sias was a first sergeant of military police in the 3rd army in the ETO and overseas 26 months. He married an English girl while there and she is now bound for the United States in a shipment of war brides.

Hartford Steam Boiler Opens Minneapolis Branch

Hartford Steam Boiler has established a service branch office in Minneapolis. The new office is in the McKnight building and will serve Minnesota and Iowa, the major portions of North and South Dakota, the eastern half of Nebraska, and northwestern Wisconsin.

John C. Degenkolb is manager and David C. Lewis has been named chief inspector. Mr. Degenkolb joined the company in 1926 in Pittsburgh and was connected with the office there as a special agent until being transferred recently to Chicago to serve the Minneapolis territory.

Mr. Lewis started as an inspector in 1923 after several years operating experience in power plants. He became directing inspector and later adjuster for the Chicago department.

The business in the territory involved has in the past been handled through the Chicago office.

Kelley Takes New Title

Robb B. Kelley has been designated assistant vice-president of Employers Mutual Casualty of Iowa and remains as Omaha manager. The son of Dr. L. E. Kelley, a director, Mr. Kelley was

released from the army a year ago as an infantry officer.

Atlanta Office Is Opened

ATLANTA—Associated Aviation Underwriters has opened an office here with Robert N. Hughes of Atlanta as manager. The office is in the Candler building. D. J. Proctor, Atlanta, has been named his assistant. Both have been in the flying training command of the air corps, and Mr. Hughes formerly was in the insurance business.

New F. & C. Office at Flint

Fidelity & Casualty has opened a claim office in Flint at 1133 Mott Foundation building.

Edmund K. Heitmann, who has been at the Detroit office, will be in charge as claims attorney.

A. J. Eggenberger, formerly with United States Guarantee in Los Angeles, has joined Toplis & Harding and Wagner & Glidden there.

Boate Speaks at School

Thomas N. Boate, special services director of the National Conservation Bureau, is speaking on the "Responsibility for Accidents" at the first annual training course for motor vehicle fleet supervisors now being conducted by Marshal College and the West Virginia Institute of Technology at Huntington, W. Va.

The course is designed to teach the fundamentals of selecting, training and supervising drivers. Psychophysical testing equipment is utilized for driver and road testing exhibitions.

Joseph Jarrett, attorney, addressed the Casualty Insurance Adjusters Association of Southern California in Los Angeles on the "S. E. A. U. Decision and Its Effect on Insurance Companies."

FIDELITY AND SURETY

3 Losses, Long Incubating, Come to Light at One Time

Fidelity-surety people are much interested in the fact that during the past month, three substantial bank losses have come to light in connection with which the guilty persons had been up to their tricks over a long period of time. Fidelity underwriters are always conscious of the fact that they never know at any particular moment how they stand and these three losses occurring almost simultaneously illustrate graphically the basis of their constant fears. One loss amounting to about \$130,000 was attributable to the operations of a man and a woman at a bank at Rockford, Ill., and they had been picking away at the till for some 19 years. This loss was divided between National Surety and U. S. Guarantee. Ironically, had the loss been discovered some four months hence, U. S. Guarantee, which is currently on the line, would have stood the entire loss and National Surety would have been in the clear.

Then there was the loss in the Trenton Trust Company of Trenton, N. J., of some \$160,000. This was attributable to operations extending over 13 years. Here there was a combination bond in which Metropolitan Casualty, Aetna Casualty and Indemnity of North America were interested.

The third loss was for \$50,000 in a bank on Long Island, the period of delinquency having been from eight to 10 years.

Martin Lewis Has Powwow with Producers Spokesmen

Martin Lewis, president of the Towner Rating Bureau, while in Chicago, for the meeting of the all industry committee, gave a luncheon Friday for representatives of the four national producers organizations. The purpose was merely to exchange ideas and trade observations on current events without any specific issue being involved.

Those lunching with Mr. Lewis were A. R. Graham, Chicago, National Association of Insurance Brokers; C. H. Buras, Joyce & Co., and W. T. Cline, Conkling, Price & Webb, Chicago, National Association of Casualty & Surety Agents; Ted Fields, Minneapolis, National Association of Surety Bond Producers, and H. F. "Speed" Warner, Kansas City, National Association of Insurance Agents.

Neb. Beer Bond Complaint Is Dropped at Hearing

Commissioner Matzke of Nebraska the other day held a hearing on a complaint as to the reasonableness of the rates for bonds for beer distributors in the state. However, the Beer Distributors Association, the complainant, although represented at the hearing, did not press its point. Representing the insurance interests were Cecil Fraizer, former Nebraska commissioner, W. H. Bock, Omaha manager Fidelity & Deposit, and Fred Ochsenbein, Omaha manager U. S. F. & G.

Process Agent Important in Administering Estates

F. Preston Herring, retiring president of the Boston Surety Claim Association, spoke on legal questions and claim problems arising under judicial bonds in Massachusetts.

He brought out that a non-resident executor or administrator must appoint a resident agent upon whom legal process may be served and that failure to make such appointment shall be cause for removal. He said further that where

the non-resident fiduciary failed or refused to make such appointment or to file required accountings in probate court, such action might be induced by calling to the attention of such fiduciary his liability for removal.

He said liability of the surety on a guardian or conservator bond expired after the expiration of four years from the termination of the guardianship or conservatorship. He called attention also to the rule, particularly applicable to Massachusetts, that an executor or administrator must account for his own indebtedness to the estate as an asset in possession even though he was insolvent at the time of his appointment.

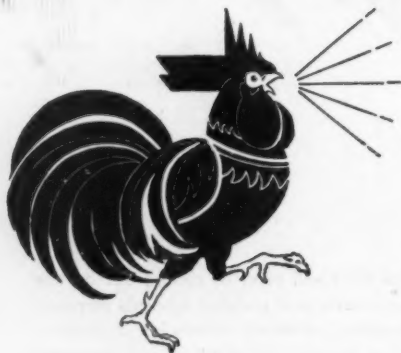
He stressed also the danger of a suit on the bond by a judgment creditor of the estate, and that a final decree of insolvency of the estate or the allowance of a final account showing exhaustion of assets in the payment of preferred claims, is necessary to provide a complete defense to such a suit by the surety.

Delay Performance Bond Proposal; Study Needed

NEW YORK—Hugo Rogers, borough president of Manhattan, says that the proposal to reinstate performance bond requirements has been referred back to him for further study and that he will not complete his review of the proposal until next month. Earlier Mr. Rogers asked for a delay until April 25 so that all parties interested would be able to be heard before any action was taken.

Performance bonds were dropped from borough requirements in 1938. Until that time the board of estimate contractors were paying about \$1 million annually for performance bonds on city contracts, the price of which was

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part of the contract and paid by the city.

Recent attempts by Mr. Rogers to revive the requirement have met with considerable opposition. The New York "World-Telegram" called it the return of Tammany Hall's "honest graft."

Fidelity Line Shows Healthy Tone This Year

Indicating the healthy condition of the fidelity business today, one of the large representative companies made an investigation as to the constitution of its business for the first quarter of 1946. It found that approximately 40% of its fidelity business was attributable to insureds that previously had carried no type of fidelity insurance. Another 40% was from its own insureds who had converted the old-fashioned fidelity coverages to blanket arrangements and only 20% was business taken from competitors. This company had a very substantial increase in premiums in the fidelity line, even after subdividing its 1945 premiums written so as to discount the three year term revenue.

Big Kan. Contract Bond

Standard Accident through its Chicago office is the originating company on a \$2½ million payment and \$2½ million performance bond covering the construction by Arcole Midwest Corp., Chicago, of Fall river dam and appurtenances in Greenwood county, Kans. This is a flood prevention project. The contract price is \$6,107,000.

Milwaukee Surety Men Reelect

MILWAUKEE—Thomas G. Egan, U. S. F. & G., was reelected president of the Surety Underwriters Association of Milwaukee at the annual meeting. Thomas F. Eader, Travelers Indemnity, was again named vice-president, and Emil F. Halkey, Gaedke-Miller agency of Maryland Casualty, was reelected to a 16th term as secretary.

Named to the executive committee are Thomas Graham, Fidelity & Casualty; Henry Lamp, Continental Casualty; Thos. E. McLaughlin, Massachusetts Bonding; Mr. Egan and Mr. Eader. The Chicago and Milwaukee associations will hold their annual joint golf outing here at Ozaukee Country Club June 21.

Am. Auto Surety Experiment

American Automobile has entered the fidelity-surety field on the Pacific Coast in a somewhat experimental way. Its operations in this direction are being confined to the coast and there is no present intention to expand them into other parts of the country.

Charles E. Keagy will be in charge of this department for American Automobile and Associated Indemnity Co. Harold S. Vreeland will have charge of the new lines at Los Angeles.

ASSOCIATIONS

N. J. Claim Men Hear Orr

At a dinner meeting of the New Jersey Claim Association in Newark, George W. Orr, director of claims of United States Aviation Underwriters, gave a resume of the current problems of aviation insurance and claims.

Bulletin on Auto Changes

MILWAUKEE—The educational committee of the Milwaukee County Board of Casualty & Surety Underwriters has issued another educational bulletin covering important changes in automobile insurance rating plans, such as the 80-20 collision form change and commercial automobile liability rate increase, bodily injury rates and property damage liability rates. Another section is devoted to the important changes in

the comprehensive personal liability policy, and suggests that "this policy offers a large untapped market that many agents have overlooked, and the new standard policy is a fine tool which should help to build sales and commissions materially."

ACCIDENT

To Merge Northern Mutual Into Bankers L. & C. and Increase Benefits 50%

Policyholders of Northern Mutual Casualty of Chicago will have an opportunity to vote on a proposal to merge the company with Bankers Life & Casualty at a special meeting at Chicago May 18, Howard F. Kirk, president of Northern Mutual, announces.

In a letter to policyholders Mr. Kirk stated that, when the merger is consummated, it will give policyholders a 50% increase in benefits. These increases have been offered in exchange for policyholders' equities in Northern Mutual.

As an example, he said, death benefits of \$1,000 will be increased to \$1,500; hospitalization benefits of \$4 per day will be increased to \$6 and a surgical benefit of \$100 will become \$150.

Provision is also made for taking care of dissenting policyholders.

The merged company will do business as Bankers Life & Casualty, of which John D. MacArthur is president. Northern Mutual and Bankers Life & Casualty have approximately 150,000 policyholders located in Illinois, Indiana, Ohio, Michigan, Missouri, Florida and West Virginia.

The proposal is that dissenting policyholders of Northern Mutual should get a ratable share of that company's surplus.

Bankers Life & Casualty claims to be the oldest life insurance company in Illinois. It bases the claim on the fact that it took over several years ago Hotel Men's Mutual Benefit Association which was started in 1870.

Companies Operating in Zone 4 Told to Furnish Breakdown of Experience

LANSING, MICH. — In accordance with action taken at the Commissioners' Zone 4 meeting in Pierre, S. D., Insurance Commissioner Forbes of Michigan, zone chairman, has directed health and

By Letter...



...And in Person

Ours is a business which is enriched by the warmth of personal contacts. Agents and Brokers who visit, by letter and in person, the Home office or any of our Branch offices, provide opportunities for us to welcome old friends and make new ones. From such friendly contacts the resultant exchange of ideas has often promoted the solution to problems . . . solutions which have been mutually beneficial.

So, to Producers who haven't experienced the friendly relationship that typifies the Manufacturers organization, we suggest:

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CALIFORNIA IS ONE OF THE LARGEST WORKMEN'S COMPENSATION PREMIUM INCOME STATES IN THE COUNTRY. AS FOR MANY YEARS PAST, WE AGAIN LED ALL PRIVATE CARRIERS IN 1945 COMPENSATION VOLUME. OUR TOTAL "COMP" WRITINGS IN OUR HOME STATE WERE \$7,387,896.

PACIFIC EMPLOYERS

HOME OFFICE: 1033 SOUTH HOPE STREET, LOS ANGELES - 15



accident carriers licensed in any of the eight states of the zone to provide a statistical break-down of their experience

WANT ADS

Claims Manager Available

For home office or regional department of casualty carrier. Legal and insurance background. Excellent field and head office executive record. Write F-87, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

CASUALTY GENERAL CLAIMS MANAGER OR ASSISTANT

Thorough field and home office experience administration, claims supervision, staffing. Can build and maintain a hard hitting, trained department. Reasonable about starting salary. Write for resume. Inquiries confidential. Address F-89, The National Underwriter, 99 John St., New York 7, N. Y.

WANTED

Experienced Surety production man. Preferably one familiar with Burglary Insurance to assist in the development of these classes.

AMERICAN INDEMNITY CO.
P. O. Box 1259 Galveston, Texas

WANTED

EXPERIENCED CASUALTY INSURANCE CLAIMS SUPERVISOR. Must know all lines and be thoroughly acquainted with administrative problems in connection with claims work; preferably background of at least ten years in Assistant Manager or Manager capacity. Excellent salary and opportunities for future advancement. In reply please state qualifications and salary expected. Address F-72, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED

Casualty Special Agent to travel Ohio territory for one of the larger non-coherence companies. Address F-84, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

AVAILABLE FOR AGENCY

Veteran—four months refresher. 8 years casualty underwriting experience large Stock Company with which presently employed. Married, college graduate. Desires position with small, well established agency. Address F-88, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

CLAIM MANAGER AVAILABLE

9 years experience in general law practice and with multiple line insurance company. Present income \$4000. L.L.B. Michigan; 37 years of age; married. Prefer claim manager position although will accept position as assistant under circumstances offering sufficient advantages. Address F-85, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED COMPENSATION AND LIABILITY UNDERWRITER

By established Chicago agency. Permanent position with excellent opportunities. Write F-90, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

to show what policy lines, if any, are returning excessive profits.

Each of the companies was given a copy of the Pierre resolution and an information schedule form to be filled out and filed with the Michigan commissioner. That form provides for this information: Policy form number; name of policy, if any; limited or full coverage; class of coverage (accident, health, accident and health, group accident and health); premiums written; premiums earned; losses paid; losses incurred; loss adjusting experience; underwriting expenses incurred; ratio of losses incurred to premiums earned, losses paid to premiums written, loss adjustment expenses incurred, and underwriting expenses to premiums earned.

Breidenbaugh Will Teach June Class at Purdue

The accident and health courses at Purdue University, which have been so phenomenally successful, will continue without interruption, despite the recent death of Mansur B. Oakes, who had been in charge of the courses ever since they were established.

The June class will be in charge of O. J. Breidenbaugh, who had been assisting Mr. Oakes in recent months and was taking over some of his responsibilities.

R. J. Costigan, president National Association of Accident & Health Underwriters, is planning to call a meeting of the industry advisory committee, which has general supervision over the Purdue courses, in the very near future, probably in Chicago and the question of who is to assume the active direction of the courses hereafter probably will be decided at that time.

The June class is now over-subscribed and the two classes to be held in the fall, probably in October and December, are about 50% subscribed.

Los Angeles Producers O. K. Merger; Bissell Speaks

LOS ANGELES—Plans for the formation of the Accident & Health Underwriters Association of Los Angeles were approved by the Accident & Health Producers Association of Southern California and the committee to cooperate with the committee of the Accident & Health Managers Club was authorized to proceed with its work.

Stanford Bissell, instructor at the University of California at Los Angeles for the accident and health course sponsored by the Managers Club and the association, analogous to the Purdue course, spoke on "Measuring Rods for Production."

He insisted that accident and health salesmen waste a lot of time, as do all other salesmen. He declared that the big producers of accident and health business, as well as life insurance, fall into two classes, those with a religious fervor and those who depend on cold canvass. If the producer doesn't spend 90% of his time in prospecting, Mr. Bissell said, he is on the wrong track.

The most successful producers are those with the long range view. He said the producer's own long range view is better than the company's plan for production, because he can concentrate on his own plan much more successfully. He advocated six hours for study, six hours in the office and 38 in the field as right for a 50-hour week.

Thomas Schumacher, secretary California Osteopathic Association, was announced as the speaker for the May meeting.

Powell Is Assistant Manager

Arthur C. Powell has been appointed assistant manager in the home office of Canada Health & Accident, Waterloo, Ont. He has been in insurance 29 years. Born in London, he started his business career there with British fire and casualty companies, going to Canada in 1919 with the Canadian head office of Lon-

don Guarantee as accident manager. Since then he has held key executive posts in the Canadian health and accident field.

Plan for Wash. Legislation

Ed Peithman, vice-president of Olympic National Life, has been elected chairman of the legislative committee of the Seattle Accident & Health Managers Club. At a recent meeting of the organization plans were laid for an active campaign during the 1947 legislature, at which it is expected a cash sickness benefit bill will be presented by proponents of a state fund.

Chicago Claim Men to Elect

The Chicago Claim Association will elect officers at its May 8 meeting. On the prepared slate for president is E. W. Englecke, Illinois Bankers Life. Others up for election are: Vice-president, R. E. Pearson, Prudential; treasurer, Paul Tyler, New York Life; secretary, E. G. Schaffnit, Washington National.

Walter K. Greenebaum, Duluth & Georgian Bay Transit Co., Chicago, will speak on his experiences in South America. A report will be made on the golf meet planned for June.

Beneficiary Clause Invalid

LOS ANGELES—Commissioner Garrison's action in disapproving clauses in disability policies providing for a change of beneficiary after death of the insured has been upheld in an opinion by Attorney General W. Kenny, who asserts such clauses are contrary to California law.

Reject Mass. State Fund Bills

BOSTON—The Massachusetts legislative committee on state administration has rejected all bills proposing a state cash sickness compensation fund, on the pattern of the Rhode Island fund, and reported instead a resolve for a recess commission to study the subject, which was approved by the senate.

Continental Cas. Branch Moves

NEW YORK—Continental Casualty's accident - health and hospitalization branch office has been moved to new and larger quarters at 110 William street, R. J. Keane is the manager.

O. H. Dukes, Jr., recently discharged from service, has been made manager of the accident, health and hospitalization department of the Roberts agency of Continental Casualty in Valdosta, Ga., with supervision over 65 counties in south Georgia and Florida.

COMPANIES

Employers Reinsurance Has Gains in Quarter

KANSAS CITY—Premiums written by Employers Reinsurance in the first quarter of 1946 rose more than \$1 million over the same period in 1945. Premiums written totaled \$3,755,239, compared with \$2,682,206; premiums earned were \$3,021,472, against \$2,487,032. Net income on investments, after taxes, was \$128,033, against \$114,047 a year ago. Assets March 31 set a new high reaching \$30½ million, an increase of \$1½ million for the quarter; in the first three months of 1945 the increase was nearly \$900,000.

Loss reserves were \$9,681,315. Reserve for unearned premiums was \$5,839,979. Voluntary special reserve (unallocated earnings) was \$2,919,853, against \$2,784,861 three months earlier and \$2,237,543 a year ago. Surplus to policyholders was \$12,919,853.

Two Okla. Mutuals Licensed

Mutual Indemnity of Oklahoma has been licensed in that state. Walter

Hardy is president and R. S. Payne, secretary.

Oklahoma Farm Mutual of Oklahoma City also has been licensed to write all automobile and tractor coverage. John I. Taylor is president.

New Los Angeles Negro Auto Insurer Applies for Permit to Sell Stock

LOS ANGELES—Formation of an automobile insurance company by Los Angeles Negro interests has reached the stage where the company has made formal application to the department for an open permit to sell stock.

Originally chartered as the Pioneer Automobile Insurance Co., its name later was changed to Loyal Automobile Insurance Co. The company proposes to sell \$150,000 shares of capital stock with a par value of \$1 per share at a price of \$3 per share. The application was filed by Ovila Normandin and Bernard Hiemenz, attorneys for the corporation.

The company's charter covers fire, liability, workmen's compensation, common carrier liability, disability, plate glass, boiler and machinery, burglary, credit, sprinkler, team and vehicle, automobile and aircraft lines. The stock permit application states that for the present, the company will confine its activities to automobile insurance.

Officers are Wendell E. Larson, president; Forrest A. McCoo, Jr., vice-president and secretary; David R. Crawford, treasurer. Albert T. Patrick and Prince R. Kennedy, are directors.

A technical advisory board has been named which includes Joseph P. Lipp of the Thomas V. Humphreys general agency; George Neal of Employers Casualty and Otto Lilly, a claims adjuster.

Employers, Ala., Enters Ga.

Employers of Alabama has been licensed in Georgia to write automobile, workmen's compensation, general P. L. and plate glass. This is part of the company's expansion program and it plans to enter other states in the near future.

Jerram B. Connell Elevated

Jerram B. Connell has been elected a secretary of Commercial Union Assurance, Palatine, Union Assurance Society and British General and an assistant secretary of American Central, California and Commercial Union Fire.

Mr. Connell has been with Commercial Union for 23 years. More recently he has been chief accountant of the fire companies of the group.

C. J. Seedyke has been made chief accountant of the seven fire companies of the group. Mr. Seedyke has been with Commercial Union since 1930.

Pittsburgh C. P. C. U. Lecturers

The group taking the C. P. C. U. course at Pittsburgh has held a number of lectures from specialists in various types of cover including W. J. Zwings of Logue Bros. & Co. on fidelity-surety; D. W. Speidel, National Surety; O. L. Wilkins, London Guarantee, credit insurance; Fred Freel, Continental Casualty, non-cancellable and life indemnity A. & H.

WANTED: Experienced combination adjuster thoroughly familiar with Casualty, Compensation and Automobile Adjustments to manage office independent adjuster. Central Florida. Good guaranteed salary with commission. Age around 30. Will consider partnership to right man. Address F-94, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED SAFETY ENGINEER

Experienced Safety Engineer and Auditor wanted by Bureau Casualty company for Central and Eastern Wisconsin territory. Must live in vicinity of Milwaukee. State full details as to age, experience and education. Salary desired. Address F-92, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Honor Phil Braun's 45 Years' Service

FLINT, MICH.—Phil J. Braun, one of Michigan's outstanding agents, who has been especially active in organization affairs and in civic activities, was honored at a testimonial dinner, marking the 60th anniversary of the founding of the agency and Mr. Braun's 45th anniversary as an agent of U.S.F.&G., host at the affair.



Phil J. Braun

Mr. Braun announced at the dinner that he is taking his son, Philip J. Braun, into partnership and changing the name of the agency from Newell & Braun to Braun & Braun. The younger Mr. Braun has just finished his terminal leave after serving more than three years in the army, part of it with the seventh army in Germany, being discharged with the rank of captain.

Tributes to Honor Guest

High tribute was paid the honor guest by company men, fellow agents and representatives of the Michigan Association of Insurance Agents of which he is a past president. Speakers included R. Howard Bland, chairman of U.S.F.&G.; W. H. McBryan, Detroit, a vice-president of that company and retired Michigan manager; E. A. Henne, Chicago, vice-president of America Fore; A. F. Powrie, Fire Association western manager and vice-president; E. D. Lawson, vice-president and western manager of Fireman's Fund; James E. Mayfield, Guaranty Title & Mortgage Co., representing Flint agents; Clyde B. Smith, Lansing, former president N.A.I.A., and Waldo O. Hildebrand, Lansing, secretary-manager Michigan association.

Mr. Bland presented a wrist watch to Mr. Braun and spoke of the cordial business relations which has existed over 45 years, as did the other company men whose organizations have long been represented in his agency. Mr. McBryan also summarized Mr. Braun's long list of civic achievements. Other company guests among the 60 attending included P. F. Lee, agency superintendent; Charles Hoffman, Michigan manager, and Harold Reinhold, assistant manager, all U.S.F.&G., and P. J. Leen, Fireman's Fund. Most of the companies represented in the agency sent state or special agents.

Agency Established in 1886

The agency was established in 1886 by George E. Newell and was operated by him for many years. Later his son, John W. Newell, became connected with the business and the firm name became George E. Newell & Son. The father died in 1907 and the agency was continued by the son, who formed a partnership with Mr. Braun in 1922. On John Newell's death in 1932, Mr. Braun bought his interest and continued the business as a one-man enterprise.

His son already has had considerable experience in the business, having been licensed as an agent at the age of 17, to become the state's youngest licensee. He took an insurance course

When Replacement Must Be Delayed, What Will Be Basis for Rebuilding?

MINNEAPOLIS—At the April 26 meeting of the Insurance Buyers association of Minnesota a question was raised that stirred up a lively discussion among brokers, agents and buyers. The question was: In case of a fire at this time that destroys a plant which cannot be rebuilt until nine months from now, will the insurance company pay for the rebuilding at present valuation or at the cost nine months from now?

George Patchin, secretary Appraisal Service Co. of Minneapolis, the principal speaker, said he could not make a prediction on future property values and this set off a discussion that brought out various ideas from buyers, brokers and agents, a number of the latter being present as guests.

Michigan Agents Active in Tax Equality Group

LANSING, MICH.—The Michigan Association of Insurance Agents is represented actively in the newly organized Michigan Committee for Tax Equality formed at a meeting here. A. B. Millard, Grand Rapids, former local board president there and for several years chairman accident prevention committee National association, was selected as chairman of the Michigan committee. W. R. Caskey, Clyde B. Smith agency, represented the Michigan association at the organization session.

Mr. Millard said he believed there is a "studied effort being made by some co-op leaders to mislead farmers by planning for the setting up of a cooperative democracy as a substitute for a political state." He expressed conviction farmers believe in the American "profit economy" and that "all engaged in the same line of business should be subject to the same taxes on profits, regardless of what those profits are called."

The Michigan association is organizing a special membership effort for May. Waldo O. Hildebrand, secretary-manager, has circularized local association officers and company field men to assist.

Risk Research Institute Head Speaks in Detroit

DETROIT—G. E. Rogers, vice-president of the Robert Gair Company and president of the Risk Research Institute, discussed how insurance buyers look at current and expected future developments in the insurance business before the Detroit Association of Insurance Agents at a luncheon meeting. Mr. Rogers said that unwise state legislation and regulations might straitjacket both companies and the buying public.

He expressed the opinion that the federal government has no plan to take over insurance, but if state regulation is to do a proper job, it must show more cooperation between states. He pointed out the need for flexibility to allow equitable interstate regulation and coverage.

Minnesota Regionals' Meetings

The importance of public relations in the insurance business will be discussed by Glen Schodde, special agent of Home, before the Southeastern Minnesota Agents Regional Association at Winona May 6.

Claude D. Casey, president of Quincy Haas, Inc., general agents, addressed

Eye on "The History of Fire Insurance and Safety Engineering."

Both speakers were representing the Minnesota Underwriters Association, which is furnishing speakers for meetings of agents and other groups.

Jack Rechiene of Maryland Casualty will talk before the Park Regional at Fergus Falls May 16 on burglary insurance and fidelity and surety bonds.

Marchant in Minneapolis for Pioneer Adjustment

The Pioneer Adjustment Company of St. Paul has opened a Minneapolis office at 617 Plymouth

building, with T. H. Marchant in charge. Mr. Marchant started his insurance career with the Hopkins State Bank, Hopkins, Minn., in charge of the insurance department. He went with Western Adjustment in Minneapolis in 1926 and remained there until 1937, when he was transferred to Brainerd, Minn., to take charge of that office as manager. He remained there until 1939, when he returned to Minneapolis as a staff adjuster and continued in that position until he resigned last month to go with Pioneer. That company specializes in aircraft, fire, wind and marine adjustments.



T. H. Marchant

Meet to Set Michigan Date

LANSING, MICH.—Edward R. Moore, Port Huron, president of the Michigan Association of Insurance Agents, has called a meeting of the organization's executive committee May 20 in Lansing when the date for the annual at Port Huron will be set.

The committee also will complete final arrangements for the insurance institute, to be staged by the association June 10-14 at the Kellogg Foundation camp at Clear Lake between Hastings and Battle Creek. A large number of applications for this short course already has been received. Enrollment is to be strictly limited to 100.

Donahue Resumes Rockford Post

Col. J. J. Donahue of the army, who recently returned from service in North Africa and Italy, has resumed the management of the Rockford, Ill., branch of Western Adjustment, of which he had charge for 12 years prior to leaving for military service, in 1941. Mr. Donahue entered the company's service in 1922.

E. R. Brunke, who served as manager at Rockford during the absence of Mr. Donahue, has been appointed general adjuster for northern Illinois, and will continue his connection with the Rockford branch. Mr. Brunke has been with the company since 1930.

Will Adjust \$2 Million Loss

Losses expected to exceed \$2 million caused when fire damaged the Wabash Building warehouses and freight station at Pittsburgh in March will be adjusted for a majority of claimants by A. H. Neaman of Pittsburgh, public adjuster.

Mr. Neaman will represent the Pittsburgh & West Virginia Railway, Steel City Wholesale Grocery Co., A. L. Mars & Co., wholesale grocers, Atlas Paste Co. and other policyholders.

Minn. N. A. I. A. Delegation

MINNEAPOLIS—President William

son, chairman of the executive committee, Minneapolis, and George Blomgren, executive secretary, will represent the Minnesota Association of Insurance Agents at the N.A.I.A. midyear meeting at Cincinnati May 12-16. Richard A. Thompson, member of the national executive committee, also will attend. The Minneapolis Underwriters Association will be represented by Arthur P. Smith.

Sons Joins Fathers' Agencies

Will Mulroney of Fort Dodge, Ia., has taken his two sons, V. J. Mulroney, Jr., and R. J. Mulroney, into partnership.

C. R. Galvin, formerly of Sheffield, Ia., has joined his father in his agency at Knoxville, Ia.

William Oliver, recently discharged from service, has joined the agency of his father, F. G. Oliver, at Onawa. Another son, F. J. Oliver, Jr., formerly of Mapleton, also is joining the firm.

New Waukegan Adjusting Office

A new adjusting office has been opened by Don Sherman at Seven North County street, Waukegan, Ill. Mr. Sherman will handle fire, casualty and inland marine in northern Illinois and southern Wisconsin.

Previously, Mr. Sherman had an adjustment firm in Los Angeles from 1936 to early this year and prior to that was associated with his father in a general insurance business in Waukegan. He entered insurance in the western department of Great American and later went with Millers National.

His father, R. C. Sherman, was at one time state agent for Rhode Island in Illinois, Iowa and Wisconsin.

King on Mich. Commission

Harry E. King, Calumet, president Upper Peninsula Association of Insurance Agents, has been appointed by Gov. Kelly on the state public service commission. He has operated a successful agency at Calumet for 16 years and previously was associated with the Calumet & Hecla Copper Co. He has been a member of the Michigan association executive committee from his district.

Open Office at Sandusky

Carleton F. Miller & Co., independent adjusters with headquarters at Mansfield, O., have opened a branch office at Sandusky. The Sandusky office will handle adjustments in Erie, Huron, Lorain, Ottawa, Sandusky and Seneca counties. George C. Steinemann is manager of the Sandusky branch.

Jackson to Address Buyers

ST. LOUIS—Superintendent Jackson, Missouri, will speak at the meeting of the Insured Members Conference of the Associated Industries of Missouri here May 28 on "Impact of Public Law No. 15 on the Buyer of Insurance."

Bank-Agent Movie Is Shown

Insurance agents, bankers and automobile dealers in Peoria, Decatur and Rockford, Ill., saw the moving picture film on the bank-agent plan last week.

New Waterloo, Ia., Manager

L. A. Christophersen has been appointed manager of Underwriters Adjusting at Waterloo, Ia. He has been in the Chicago office.

Has Section on Life Insurance

A section on life insurance is being added to the third edition of the Michigan Reference Manual, now being prepared for publication about May 15 by the Michigan Association of Insurance

qualifying examination questions prepared by the insurance department and questions and answers on all lines of insurance are provided, including specialty coverages and aviation.

NEWS BRIEFS

Van W. Osborne, local agent at Hartford, Wis., who was declared elected mayor by a small margin and then lost out on a recount, now has been declared winner. The circuit court upheld the validity of 96 disputed votes and declared Mr. Osborne mayor by a margin of nine votes.

Clair Maxon, a founder and first president of the Port Huron (Mich.) Junior Chamber of Commerce, has resumed management of his agency there following his discharge from the army. The agency was operated by Mrs. Maxon while her husband was in service.

Arthur L. Foster, formerly of Grinnell, Ia., has joined the Waldo McDowell agency, Ames, Ia. Mr. Foster, recently discharged from the army air corps, has completed the Travelers home office training course.

August W. Grams, local agent in Sheboygan, Wis., for 35 years, has retired and plans to make his home in Denver.

Mrs. Bernice Radke has been elected president of the Insurance Women of

Madison, Wis., to succeed Miss Mildred Subey. Wilma Osborn is vice-president; Marie Cody and Grace Clapp, secretaries. The "bosses' night" banquet will be held May 6.

The Insurance Women of Milwaukee will elect officers May 6. Nominees are: President, Hilda Rogers, incumbent and Cecelia Volz; vice-president, Gladys Merrill and Edna Siegel, corresponding secretary, Emily Gielinski and Jane Fetherston; recording secretary, Eleanor Rodewald and Violet Leshok.

Carl F. Friedrichs, former publisher of the Clintonville "Tribune-Gazette," who has been in Madison for six months, has returned to Clintonville, Wis., to become assistant manager of the George Graff agency.

Sherman W. Wade, for 13 years in government work and former state senator, has opened a local agency at Antigo, Wis.

Mrs. Grace O. Lods, regional director of the National Association of Insurance Women spoke at a meeting of district 4 of the national organization at Indianapolis urging 100 members to take advantage of every educational opportunity in insurance.

The annual mother and daughter banquet of the Insurance Women of Racine was held last week with Mrs. Edna Johnstone in charge. A program of music was presented by Mary Beth Hansen and Evelyn Russell. Mrs. Hazel Buck Augustine read several selections appropriate for Mother's Day.

W. H. Tompkins of Marsh & McLennan, St. Paul, will address the St. Paul Association of Insurance Women on "Comprehensive General Liability Insurance" May 2. Officers will be elected.

corps and for a time was a German prisoner of war. He will have his headquarters at Bowman Field Airport.

R. C. Barrow with Matt Smith

Ruffin C. Barrow has joined the Matt G. Smith agency at Baton Rouge, La. He served in the army air forces 4½ years. He attended Louisiana State University and was with Louisiana Underwriters Agency from 1938 until he went into uniform.

Tenn. Agents Directors to Meet

NASHVILLE—Directors of the Tennessee Association of Insurance Agents

will meet June 7. Manager George L. Goss announced, and among matters to be discussed will be selection of a time and place for the annual meeting. Mr. Goss visited association members in Memphis last week and this week is in Knoxville.

NEWS BRIEFS

Mark Bradford, Jr., has returned from service and rejoined his father in the Mark Bradford agency of Nashville.

Cliff M. Hatcher, with the Georgia civil service commission for five years, has opened a local agency in Macon, Ga.

V. E. Anderson has bought an interest in the Haga & Phillips agency, Kingsport, Tenn., which will hereafter be known as Haga, Phillips & Anderson.

PACIFIC COAST AND MOUNTAIN

Harbor Coverage Plan for Los Angeles Approved

LOS ANGELES—Los Angeles board of harbor commissioners has approved a plan for distribution of fire insurance coverage on harbor properties, as developed by the harbor committee of the Insurance Association of Los Angeles.

Members of the association will participate in 60% of the \$9 million coverage; San Pedro agents 25%, and unaffiliated producers 15%.

The line expires April 30, and the new policies will be written by nine agencies in Los Angeles, five in San Pedro and three unaffiliated. The policies will carry a 5% override of the 25% commission, and will be written by 60 board companies and 14 non-board.

The Insurance Exchange harbor committee is composed of H. J. Ross, chairman; W. H. Menn, past president National Association of Insurance Agents; R. H. Hillman, and H. E. Charlton.

F. C. A. B. Stockton Changes

Three changes have been made in the Fire Companies Adjustment Bureau, Stockton, Cal., office.

Eldon Triplett, manager, has at his own request, been relieved of administrative duties to devote his entire time to loss work. He is succeeded as manager by John McGillivray. Walter Hamann has been transferred to Las Vegas, Nev., as manager.

Mr. McGillivray has been a field man and for the past 12 years has been in loss work operating his own business in Spokane. Mr. Hamann has been with F. C. A. B. for five years and previously was with Underwriters Adjusting for 14 years.

Soderberg Joins LaBow-Haynes

John A. Soderberg, former special agent for America Fore in western Washington, has joined LaBow, Haynes Co., Seattle agency.

Mr. Soderberg was with the Washington Surveying & Rating Bureau for three years following graduation from University of Washington engineering school. He was resident engineer at Seattle for Cosgrove & Co. 1935-1938, then joined America Fore. He entered the navy in 1942 and served in the Pacific theater, being released early this year with the rank of lieutenant. Before joining LaBow, Haynes Co., he completed the Aetna Casualty insurance course at Hartford.

New Idaho Grain Rules

The Idaho Surveying & Rating Bureau has removed the differential in rates between growing grain and field seeds. The seasonal policies are given a mandatory form and must expire Oct. 31 each year instead of Nov. 30. The automatic transfer permit following the grain to storage locations is now limited to fields or storage facilities on the farm and in transit to public facilities but no coverage is provided for off-premises storage either private or public. The cancellation table for calculating

cies is revised to recognize the reduced rate and shorter term.

Give N. A. I. A. Course in Seattle

SEATTLE—A 20-hour course in fire insurance, following the N. A. I. A. outline, will get under way here May 7. **Ralph Lewis**, Northwestern, is chairman of the educational committee of the Blanket Club, young men's organization sponsoring the work. The class, which numbers more than 50 young men, already has completed the 16-hour course on automobile material damage and liability insurance.

Boncutter with G. C. Newell

Albert C. Boncutter has joined **George C. Newell**, Seattle general agent, as assistant general agent. Mr. Boncutter launched the Pacific Insurance General Agency in 1939, merging the business with the General Agencies of New York in 1941. He served as northwest manager until war broke out. After 39 months in the navy, he was released with the rank of lieutenant.

C. R. DeMille Rejoins Agency

C. R. DeMille has been released by the army and has resumed his duties as vice-president of the C. B. DeMille General Agency of Seattle. He held the rank of captain and will receive his majority on completion of his terminal leave. He was in charge of the safety division of the Seattle port of embarkation for more than three years.

New Agency at Yakima

Two war veterans, **Charles C. Cody** and **Phil Philips**, have formed a new local agency, Cody, Philips & Co., at Yakima, Wash., associated with the W. F. Bridgeford agency.

Mr. Cody was a lieutenant-commander in the navy. Mr. Philips, a major in the army air corps, formerly was with the old Doran-Philips agency of Yakima.

Dickerson Fire Manager

F. E. Dickerson, formerly with Crum & Forster in the Pacific Northwest, has been appointed fire manager for the Los Angeles office of California Agencies.

NEWS BRIEFS

Ferry Smith of the Dooly & Co. agency in Portland, Ore., was given a dinner celebrating his 40th anniversary in insurance. He started April 18, 1906, the day of the San Francisco fire, with Calhoun, Denny & Ewing, in Seattle, going to Portland in 1911. He joined the Dooly firm in 1914.

Carl C. Gaskill, executive committee member of the Utah Association of Insurance Agents, has been reelected secretary of the Ogden Rotary Club.

The Scharf-Kain agency has been formed at **Kelso, Wash.**, by **Ogden Kain** and **Charles Scharf**.

C. W. Rowse, resident adjuster of Western Adjustment, Hutchinson, was guest speaker at the April dinner meeting of the **Hutchinson (Kan.) Association of Insurance Women**, discussing adjustment procedures and changes in the

IN THE SOUTHERN STATES

Florida Annual Meet at Miami Beach, June 20-22

The first post-war annual convention of the Florida Association of Insurance Agents will be held June 20-22 at the Ritz Carlton hotel in Miami Beach. The only speaker announced so far is **Hunter Brown** of Pensacola, president of the N. A. I. A., who will deliver the keynote address.

Plans to date include an informal dinner Thursday evening, a boat ride Thursday afternoon and golf tournaments for men and women on Friday. Thursday and Saturday sessions will be open to all, with the Friday morning session for members only.

Mitchell & Gaines Move to New Atlanta Office

ATLANTA—The Mitchell & Gaines agency is moving to larger quarters on the fourth floor of the 22 Marietta St. building. The agency has been outstandingly successful and business has grown rapidly since the firm was organized and the present name adopted about two years ago.

W. A. Mitchell has been in the agency business in Atlanta for a number of years. **W. D. Gaines** was special agent for Seibels, Bruce & Co. before going into the business with Mr. Mitchell two years ago. **H. L. Andel**, recently out of the service, is now active in the solicitation and servicing of the agency's business.

Arrange Dallas Co. Protection

DALLAS—The commissioners court of Dallas county has settled the fire fighting problem of the county, including the towns having no fire departments, by agreeing to pay the city of Dallas \$21,000 annually for its fire department services and also by paying the rural units in the county which will furnish some protection for themselves another \$21,000. The smaller units in the county will receive an additional \$25 for each call answered 2½ miles or more from the boundary of the unit. City Manager **Smitham** of Dallas says that the Dallas equipment will be sent to any part of the county whenever needed.

Seek New Knoxville City Plan

KNOXVILLE, TENN.—City Manager **Lockwood** has asked the committee of local agents, headed by **E. S.**

schedule on approximately \$2 million of city property which would afford comprehensive coverage for all types—fire, hail, tornado, and other possible damage—for submission to the city council.

The committee indicated the cost would be only slightly more than for fire protection alone and about \$130 per \$100 less than the fire premium plus the cost of the extension coverage items. The agents would agree to maintain periodic inspection of all city property to insure continued low premium rating.

Should the program be adopted, local agents of other cities in the state may offer the same plan for comprehensive coverage on public property.

Reopens Adjusting Office

ORLANDO, FLA.—**Julius S. Harrison**, recently released from service, has reopened his independent adjusting office in the Church & Main building.

Shortly after Pearl Harbor he entered the coast guard and worked on fire, accident and sabotage prevention inspections on water front property. When he left the service he was officer in charge of branch intelligence.

Mr. Harrison is associated with **James T. Adams**, a returned navy flyer who served nearly five years in the Atlantic and Pacific.

Opens Adjustment Firm in Okla.

G. G. French has opened an adjustment and inspection office at Ponca City, Okla., to be known as Northern Oklahoma Claim Service, covering fire, casualty and inland marine.

Mr. French was an adjuster with Aetna at Chicago for five years and in 1936 joined the Thomas North Adjustment Co. there until 1941. During the war he was assistant director of the British flying training school at Ponca City and did investigation and claim work. His last connection was with F. C. A. B. at Ponca City.

Ga. Agents Meet Aug. 9-10

The Georgia Association of Insurance Agents annual meeting will be held in the General Oglethorpe hotel, Savannah, Aug. 9-10.

Establishes Aviation Division

LOUISVILLE—**Adolph Reutlinger**, president of the Liberty Insurance Agency, Louisville, has established an aircraft insurance department and appointed **Leonard T. Hine** as specialist in the department. Mr. Hine saw con-

EASTERN STATES ACTIVITIES

State Rating Move in Mass. Is Tabled; Monopolistic Fund Bills Killed

The Massachusetts house has rejected the bill for state regulation of fire and casualty insurance rates and the senate laid the bill on the table to await a report May 15 of a recess commission studying the question.

The insurance committee reported adversely on the proposal of Commissioner Harrington for a revision and recodification of all the insurance laws but reported favorably on an order for the insurance committee to study taxation of insurance companies.

The senate has killed the state Federation of Labor bill for a monopolistic compensation state fund and also killed another bill for a state fund for compensation for victims of uninsured hit and run automobile drivers.

The legislature finally has passed a multiple line underwriting bill with a broadening provision to allow Massachusetts companies to write multiple lines anywhere. Originally the bill provided for Massachusetts fire and casualty companies to write any and all kinds of insurance (except life) outside the state. The restriction as to outside the state was removed. Companies, to qualify, must have a policyholders surplus of \$1 million.

Curb Attempts Fail

Commissioner Harrington came out on top in the case of measures aimed at his authority in the Massachusetts legislature this year. One bill providing for judicial review of the insurance commissioner's orders, on basis of facts as well as law; another bill calling for an investigation of the acts of the insurance commissioner in connection with the admission of foreign companies; and still another, a third, bill, requiring hearings and reports by the insurance commissioner on payment of fraudulent claims by insurance companies, were all killed in one or the other branch of the legislature during the past week.

The governor has signed a bill removing a requirement of the insurance law that endorsements on policies bear the printed names of the company and its officers. Henceforth the endorsements may be signed by a local agent, provided the company's name and number of policy contract also are shown.

Change Pa. Licensing Rules

Effective Sept. 1 the Pennsylvania department will discontinue qualifying brokers under the beginners examination for the agency field. Candidates for brokers examination thereafter will have to pass a more severe examination.

The announcement was made in a message in absentia of Commissioner Neel to the annual meeting of the Lackawanna Valley Underwriters Exchange at Scranton.

Also beginning Sept. 1 there will be a fee of \$1 for each scheduling of an applicant for examination. Once a name is scheduled the fee will be collected unless the name is withdrawn by Monday of the week on which the examination is scheduled. This, he said, was to eliminate absenteeism from scheduled examinations and to encourage more adequate preparation of applicants.

Fire and casualty applicants with the C.P.C.U. designation will not be required to pass the beginners examination.

Shaw Honored at Brockton, Mass.

BROCKTON, MASS.—Warren S. Shaw, for 40 years an outstanding worker in New England agency organizations, one of the foremost promoters of the New England Advisory Board, for 20 years its secretary-treasurer, president of the Massachusetts Association of Insurance Agents in 1918-20 and

legislative committee chairman for most of the 40 years, was guest of honor at a luncheon given by the Brockton Fire Underwriters Association. Guests were present from most of the New England state associations. Wallace Rodgers of New York, assistant secretary National Association of Insurance Agents, attended.

Huggins & Co. Is Organized

Huggins & Co., a firm of consulting actuaries and insurance accountants, has been organized in Philadelphia with office in the Architects building, 117 South 17th street. The telephone number is Rittenhouse 3634. The partners are George A. Huggins and William M. Huggins. Associates include Renner W. Leupold, Kenneth H. Ross, Charles L. Burrall, Jr., and M. Rossman Wert.

The Syracuse Insurance Women's Association has elected these officers: President, Miss Margaret A. Sullivan; vice-president, Mrs. Myrtle V. Moncrieff; secretary, Miss Helen Watson.

Mutual Engineers Hold

Parley at Chicago

(CONTINUED FROM PAGE 4)

Type of operation.
Number of aircraft normally at the field.

Is there airplane traffic control?

Is the airport fenced?

Are the weeds kept cut?

The number of runways.

Prevailing winds.

Landing obstructions.

Discussions which followed Mr. Rodda's talk indicated that many mutual companies are interested in writing aviation coverage.

Bowling alleys came in for a shellacking from the engineers because of the use of a synthetic finishing more hazardous than shellac. He stated that fire marshals in various states are now working on new construction rules for bowling alleys in view of the high loss records prevailing within the last several years. Also discussed as extremely hazardous were the new painting processes and the combustibility of some of the new plastics.

Reconversion in metalworking plants is causing excessive losses and only good housekeeping enforced by alert inspectors and a general education of plant management and employees can bring these losses into line, according to W. E. Chessman, chief engineer of Improved Risk Mutuals.

There is a surplus of machinery in storage and a surplus of unfinished materials and supplies of finished materials. These stocks may not have any value or use in the regular civilian market. During the changes some plants have allowed their private fire protection systems to become impaired and sections of the property to become unprotected, controlled.

Mr. Chessman described in detail the many special hazards involved in metalworking plants and gave many suggestions of how the engineers and inspectors could be alert and educate management.

New officers elected were Mr. John, president, and Paul J. Baker, Lansing, and W. G. Schultz of Lumbermens Mutual, vice presidents. All other officers were reelected. It was the first meeting of the organization since 1943.

Wagner to Address Lawyers

Richard C. Wagner, department manager of the Association of Casualty & Surety Executives, will address the annual meeting of the Georgia Bar Association in Savannah May 25, on "Automobile Financial Responsibility Laws." Georgia now has a limited law on the subject, but it is largely ineffective and requires court judgment. It is planned to introduce a stricter bill in the next legislature.

MARINE INSURANCE NEWS

Hulse Becomes Special Agent of North British Group

William H. Hulse has been named a special agent for the inland marine and special lines department in charge of the production and underwriting of these classes for agents of North British, Pennsylvania Fire, Commonwealth, Mercantile and Homeland in the New England states. He will make his headquarters at the New England inland marine service office in Boston.

Mr. Hulse first entered the insurance business in 1925 with Hartford Fire, with which company he remained until he entered the army in 1942. At that time he was inland marine underwriter. He left the army in 1944 with the rank of sergeant.

Control of Marine Rates in Louisiana Considered

NEW ORLEANS—Insurance officials and local agents met with G. Allen Kimbell, chairman of the Louisiana in-

surance commission, last week to present their views on proposed legislation to regulate inland marine rates in Louisiana.

All expressions were taken under consideration by Mr. Kimbell, who is expected to prepare his recommendations to the legislature which convenes May 13 at Baton Rouge.

Among those present for the conference, in addition to 25 local agents, were J. R. Berry, general counsel of the National Board; J. G. Bill, secretary of the joint-committee and assistant manager of the Inland Marine Insurance Bureau; Harold Wayne, secretary of I. M. U. A., and W. H. Rodda, American Mutual Alliance and secretary Mutual Aircraft Conference.

Form Marine Claim Group

The Association of Inland Marine Claim Men has been organized at New York. At the first meeting Donald Roberts of American was elected temporary chairman, and Howard Nagelsmith, R. F. Tierney was named secretary. The next meeting will be May 14.

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MOTOR INSURANCE NEWS

Texas '45 Auto Results Traced

Automobile premiums of all types of insurers in Texas in 1945 totaled \$31,907,364 and losses \$16,182,661.

B. I. premiums totaled \$11,648,137 and losses \$4,193,710; P. D. \$4,370,631 and \$2,381,767; collision \$8,577,261 and \$6,042,216; fire \$1,616,770 and \$528,975; theft \$478,671 and \$232,527; comprehensive \$2,556,406 and \$1,391,117; other \$562,181 and \$140,782.

Philadelphia Automobile Underwriters Club Formed

Representatives of 18 bureau and non-bureau stock companies writing automobile material damage coverages recently formed the Automobile Underwriters Club of Philadelphia. George W. Leyle, Franklin Fire, was elected president at the organization meeting. Thomas A. Loftus, Pearl, was named vice-president and Claude J. Faulkner, Automobile, was chosen secretary-treasurer.

On the executive committee are Stanley Cowman, Mather & Co.; Elwood F. Gable, North America; Stuart

Lutz, Pennsylvania Fire, and M. L. Ross, Manufacturers Fire. Meetings will be held at the Insurance Society club house on the third Tuesday of each month. At the next meeting on May 21, the discussion will center around financed automobile accounts.

Auto Claims Men Hold Annual Dinner in N. Y.

NEW YORK — The Automobile Claims Association held its annual dinner, taking over the cocoanut grove of the Park Central Hotel for the occasion. Thomas J. Hunter, North British, newly elected president of the association, spoke briefly, welcoming the guests and touching on the association's history. Many guests were present.

Quits Writing Short Haul Trucks

Colonial of Los Angeles has notified agents and brokers it no longer will write fire, theft and collision coverage on short haul trucks.

L. & L. Advances Richardson

The London & Lancashire group has appointed James Richardson assistant manager in Montreal.

Ill. Banker Fears Rise in Robberies

Steps should be taken at once to guard against an anticipated outbreak of bank robberies and fidelity losses in banks which may come as an aftermath of the war, Harold J. Bacon, cashier Home State Bank of Crystal Lake, Ill., chairman of the committee on crime prevention and insurance, declared in a talk at the annual convention of the Illinois Bankers Association in St. Louis this week. He pointed out that some 3,500 criminals from Illinois penal institutions plus any number of unapprehended criminals had gone directly into the armed forces and many now are returning into the ranks of society.

Bankers should take stock now of their vulnerability and not remain complacent in the knowledge that in the last 12 months not a single bank in Illinois was attacked during daylight hours, and but one bank reported a night assault.

Mr. Bacon pointed to the record after the other war. In 1924 there were 73 Illinois bank robberies with aggregate losses of \$348,000; the next year 40 with a total of \$303,000, and in 1926 they decreased to 16 with loss of \$46,000 but the attacks continued until early in the 1930s. He sees the banks entering a similar era.

He urged county federations of bankers to help organize the banks in their territories and induce county officials to modernize sheriff's equipment, install two-way radio systems and other protective equipment at least on a par with that which the bank robbers will be using, which he said will be the finest obtainable.

Another important step, he said, should be the revitalizing of the town guard system which was employed after the other war when the robbers attacked Illinois and Iowa banks viciously and continuously. The town guard system was designed by Ross Saunders, former chief of police of Des Moines, and first installed in Iowa where it proved sensationally successful. Mr. Saunders then moved to Illinois where he organized the state similarly with a similar reduction in bank robberies. Most Illinois counties no longer have an organization of this kind as the situation was greatly relieved.

It was found that when the criminals learned a county was so organized and armed they went elsewhere to rob.

Some counties, Mr. Bacon said, feel the town guard system has been outmoded by modern protective devices, by the F.B.I. which gives added protection to members of the F.D.I.C., by a more efficient state police system, and by well equipped sheriff's staffs. The town guard system is an amateur organization in which local bankers and shopkeepers are equipped with rifles and shotguns and have a definite plan of action in case of an attack. In many localities it is felt the job of protection against criminals now is a professional one.

Mr. Bacon pointed out that bad as the holdup situation may become the inside crime still causes by far the greatest dollar loss to banks. He urged making mandatory two-week vacations for all bank employees and officers, rotation of employees, use of the lie detector on a regular basis throughout the entire staff, as the best possible deterrents to inside crime. Such action will uncover petty crimes and ward off more serious ones that would follow. He also advised strongly that banks pay their employees a living wage, which will help to remove some temptation to steal.

"It is especially important at this time that bankers go over their insurance programs," he said. "First of all, because of the developing crime wave. No loopholes should be left open for a possible disastrous loss either from inside or outside. Secondly, because of the tremendous growth in size during the past five years many banks may find they have very inadequate coverage. Your insurance man will help you and

Disclosure Was Made to Agent

Finding the lower court was in error in refusing to permit evidence that the agent had not included in the application disclosure made to him by the assured as to previous injuries, California district court of appeal in Joseph W. Byrd vs. Mutual Benefit H. & A., reversed and remanded the case for new trial.

The policy provided \$100 a month accident benefits. The assured while working at the Craig Shipyards at Long Beach sustained a fractured dislocation of the spine resulting in total disability. Mutual Benefit denied liability on the ground that Byrd had failed to disclose in the application that he was being paid \$22 a month by the government on account of injuries suffered in the first war, consisting of a fractured leg and flesh wound.

Byrd offered to prove that he answered an advertising circular of Mutual Benefit H. & A., he was called upon by H. D. Broughton who filled out all the writing in the application except for the signature. Byrd claimed that he told Broughton about his war wounds and his government pension, that he pulled down his socks and showed the scars.

The lower court found that by reason of Byrd's failure to make disclosure that he was receiving compensation from the government, the insurer was entitled to cancel the policy and refund the premium paid.

In the affidavit of claimant as to accident there was a direct question as to whether the insured "ever received a pension or government compensation ...?" The court pointed out that this interrogatory does not appear in the application. In the affidavit of claimant, Byrd answered this question fully and truthfully.

"Why such a direct and positive question as to government compensation was not asked in the application but appears only in the claim for benefit... remains unexplained," the court stated.

The court held that the proffered evidence was admissible to establish an estoppel upon the part of the insurer by reason of the conduct of its agent. Insured was not responsible for the omission or negligence in connection with the answer given to the pertinent question unless he had actual knowledge of the fact that such answer had been improperly or incorrectly written by the agent.

When the insured acts in good faith and without fault and by reason of the fraud, mistake or negligence of a soliciting agent the truthful answers of an insured given at the time he makes application had been omitted or incorrectly set forth in the form used for informing the company of the applicant's previous injuries and treatment, the insurer is estopped to set up the omissions or faults of such answers as a defense to an action on the policy, the court said.

However the court said Mutual Benefit H. & A. should have an opportunity to examine the witness whose proper testimony was included in Byrd's offer and to challenge the verity of such testimony by contradictory evidence should Mutual Benefit be so advised.

Kenneth Sperry and J. C. Webb appeared for Byrd while J. Edward Haley was counsel for Mutual Benefit H. & A.

you may supplement his aid with a study of the A.B.A. digest of bank insurance which can be very helpful to all."

He said the real problem is the future, how to stamp out from the minds of the youth of the country the desire to lead a criminal life. Bankers should be among the leaders in the youth movements, he said. They should energetically study crime prevention and seek to cure the trouble at the source. He said lawlessness is not inherited, but is acquired. There is a group of some five million young Americans in the ages 10-20 among whom a powerful educational effort could be made.

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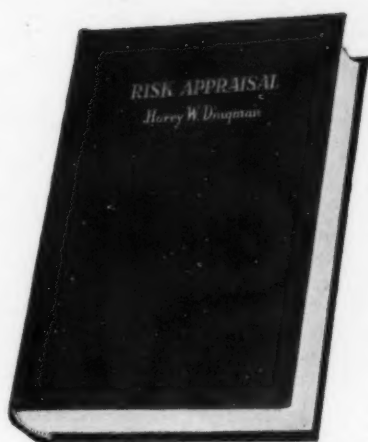
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